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COMMODITY CREDIT CORPORATION, 1965

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

FIRST SESSION

Printed for the use of the Committee on Appropriations



COMMODITY CREDIT CORPORATION, 1965

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES EIGHTY-NINTH CONGRESS FIRST SESSION

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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1965

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DEPARTMENT OF AGRICULTURE

THURSDAY, JANUARY 21, 1965.

COMMODITY CREDIT CORPORATION, 1965

WITNESSES

CHARLES S. MURPHY, UNDER SECRETARY OF AGRICULTURE
HORACE D. GODFREY, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

ROBERT P. BEACH, DEPUTY ADMINISTRATOR, MANAGEMENT,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

ANDREW J. NEMSHICK, DIRECTOR, BUDGET DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

WILLIAM FELLER, DEPUTY DIRECTOR, BUDGET DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

CHARLES L. GRANT, DIRECTOR OF FINANCE AND BUDGET OFFICER,
DEPARTMENT OF AGRICULTURE

C. E. ESKILDSEN, ASSOCIATE ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE

Mr. WHITTEN. The committee will come to order.

At this point in the record, I think it would be well to insert House Document No. 59 and the supporting justification statements.

(The documents referred to follow:)

[H. Doc. 59, 89th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE FISCAL YEAR 1965 IN THE AMOUNT OF \$1,742,209,000 FOR THE DEPARTMENT OF AGRICULTURE

THE WHITE HOUSE,
Washington, January 19, 1965.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture.

The details of these proposed appropriations, the necessity therefor, and the reasons for their submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 18, 1965.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture, as follows:

"DEPARTMENT OF AGRICULTURE

"COMMODITY CREDIT CORPORATION

"REIMBURSEMENT FOR NET REALIZED LOSSES

"For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,180,853,000.

"PUBLIC LAW 480

"For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$273,000,000; and (2) long-term supply contracts pursuant to title IV of said Act, \$233,400,000.

"INTERNATIONAL WHEAT AGREEMENT

"For an additional amount for expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$54,956,000, to remain available until expended."

These proposed supplemental appropriations are to provide urgently needed funds to carry out the mandatory price support and related programs of the Commodity Credit Corporation. The funds would reimburse the Corporation for price support and related losses realized through the fiscal year 1963, and for costs incurred through fiscal year 1965 under Public Law 480 and the International Wheat Agreement.

The urgent need for funds arises primarily because of lower than estimated sales of feed grains and wheat, and larger than estimated production of cotton and tobacco. In addition, funds appropriated to reimburse the Corporation for its costs and losses were less than requested in the 1965 budget.

The amounts requested herein will be included in the totals of the budget to be transmitted to the Congress this month.

I recommend that the foregoing proposed supplemental appropriations be transmitted to the Congress.

Respectfully yours,

KERMIT GORDON,
Director of the Bureau of the Budget.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
Price support, export, supply, and related programs-----	\$1,574,000,000	+\$1,180,853,000	\$2,754,853,000

This supplemental estimate is required to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. At the time the 1965 budget was prepared, assuming enactment of appropriations requested, it appeared that the Corporation's borrowing authority would be sufficient to carry out authorized programs. Since then, a combination of circumstances which could not be anticipated, has adversely affected the timing of the use of borrowing authority resulting in heavier demands on the borrowing authority. Current projections indicate that the available borrowing authority will be exhausted shortly.

The significant changes from the 1965 budget are:

1. Congressional action on the 1965 appropriation requests resulted in about \$600 million less funds being made available to the Corporation than estimated in the budget for reimbursement for net realized losses, Public Law 480, and the International Wheat Agreement.

2. The 1965 budget assumed that cotton program costs would decrease \$200 million, based on new legislation including an acreage diversion program for 1964 crop. New cotton legislation was enacted late in the season and did not include an acreage diversion program. As a result, the participation in the new domestic allotment program was lower than expected. The increased funds are needed primarily to meet the added cost of equalization and price-support payments.

3. An increase in expenditures for feed grains. Most of the increase is for advance payments due to an increase in estimated acreage to be diverted (from 25 to 35 million acres) under the 1965 program. The balance of the increase reflects reduced sales from CCC stocks since higher levels of corn stocks held by other than CCC are available to meet anticipated requirements.

4. In 1964, smaller export sales of wheat, smaller sales of feed grains, and increased numbers of tobacco loans reduced the June 30, 1964, balance of available borrowing authority which had been planned for use in 1965.

It is proposed that a supplemental appropriation be provided in the amount of \$1,181 million consisting of unrecovered 1962 and 1963 realized losses. Approval of the proposed supplemental will make it possible to continue essential Commodity Credit Corporation operations consistent with current estimates and will allow for a reasonable margin for contingencies. Pending such approval, the Department is taking steps to reduce the rate of expenditures to the minimum to conserve the use of borrowing authority.

Following is a summary of the estimated status of the Corporation's borrowing authority, June 30, 1964, through June 30, 1965, by months.

Estimated status of \$14,500,000,000 borrowing authority, June 30, 1964, through June 30, 1965

[Millions of dollars]

Months	Without proposed supplemental appropriation				Proposed supplemental appropriations		Balance available with enactment of proposed supplemental appropriations
	Borrowing authority in use			Balance available or deficit (—)	CCC	Public Law 480 and IWA	
	Regular activities	Special activities	Total				
June 30, 1964 (actual)-----	13,443	932	14,375	125	-----	-----	125
FISCAL YEAR 1965							
July 1964 (actual)-----	12,393	237	12,630	1,870	-----	-----	1,870
August (actual)-----	12,943	328	13,271	1,229	-----	-----	1,229
September (actual)-----	13,398	60	13,458	1,042	-----	-----	1,042
October (actual)-----	13,870	184	14,054	446	-----	-----	446
November (actual)-----	14,287	—105	14,182	318	-----	-----	318
December (preliminary)-----	14,629	—448	14,181	319	-----	-----	319
January 1965-----	14,996	—282	14,714	—214	-----	-----	—214
February-----	14,895	—104	14,791	—291	1,181	561	1,451
March-----	15,037	54	15,091	—591	1,181	561	1,151
April-----	14,796	356	15,152	—652	1,181	561	1,090
May-----	14,700	533	15,233	—733	1,181	561	1,009
June-----	14,619	676	15,295	—795	1,181	561	947

PUBLIC LAW 480

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
Sale of surplus agricultural commodities for foreign currencies (title I)-----	\$1,612,000,000	+\$273,000,000	\$1,885,000,000
Commodities disposed of for emergency famine relief to friendly peoples (title II)-----	220,453,000	-----	220,453,000
Long-term supply contracts (title IV)-----	35,000,000	+\$233,400,000	268,400,000
Total-----	1,867,453,000	+\$506,400,000	2,373,853,000

This supplemental estimate is required to place financing of costs under title I on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. The 1965 appropriation was \$281 million less than the budget request. Current estimates indicate requirements for 1965 are at about the same level as proposed in the budget. Congressional action on the 1962, 1963, and 1964 appropriations placed financing of this program on a current or "pay-as-you-go" basis, in order to relieve the Corporation of the burden of financing it from its borrowing authority. This has the effect of maintaining the Corporation's capacity to deal effectively with its major responsibility of mandatory domestic price-support and related operations.

The title IV request of \$233,400,000 proposes full reimbursement to the Corporation for total amounts estimated to be due as of June 30, 1965, in order to relieve the drain on the Corporation's borrowing authority. This represents a change from previous practice under which appropriations were requested generally to cover only the difference between total Commodity Credit Corporation costs and the agreement or export value to be paid by the foreign governments less anticipated repayments during the particular fiscal year. However, as this program has progressively increased, it is estimated that \$288.3 million of unrecovered costs will be due as of June 30, 1965. The Corporation bears this heavy charge against its borrowing authority which will not be collected for many years. Therefore, it is proposed to include the \$288.3 million less \$54.9 million of unused appropriations, or \$233.4 million in this supplemental appropriation request. This will relieve the borrowing authority for use in its mandatory price-support and related operations. The foreign governments or private entities would continue to make repayments as stated in the agreements. As repayments are actually received each year, they will be applied against current costs. Therefore, future appropriations will cover estimated gross costs less anticipated repayments during the year.

Based on the use of borrowing authority as projected on November crop production reports and related supply and utilization data on the 1964 crops, it is estimated that the available borrowing authority will be exhausted shortly.

INTERNATIONAL WHEAT AGREEMENT

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
International Wheat Agreement-----	\$31,838,000	\$54,956,000	\$86,794,000

This supplemental estimate is required to place financing of costs under the International Wheat Agreement on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. Congressional action on 1962, 1963, and 1964 appropriations placed financing of the International Wheat Agreement on a current or "pay-as-you-go" basis in order to relieve the Corporation of the burden of financing these programs from its borrowing authority. This has the effect of maintaining the Corporation's capacity to deal effectively with its major responsibility of domestic price support.

The increase of \$54,956,000 is required because :

(1) The new wheat legislation has resulted in wheat prices which indicate the need for export payments of about \$29.8 million (110 million bushels at \$0.26 per bushel, plus operating costs and interest) ;

(2) Unrecovered costs of fiscal year 1964 shipments are about \$25.2 million more than provided for in the 1965 appropriation, resulting from actual 1964 shipments of 220 million bushels, or 60 million bushels more than the 160 million bushels anticipated.

The 1965 budget provided for estimated unrecovered 1964 costs and only administrative expenses in 1965. It had been assumed that the domestic market price of wheat would fall below the competitive world price in fiscal year 1965 and that no export payments would be required.

Current projections of the use of borrowing authority, based on November crop production reports and related supply and utilization data on the 1964 crops, show that the Corporation's available borrowing authority will be exhausted shortly.

FINANCING OF COMMODITY CREDIT CORPORATION

Mr. WHITTEN. We have with us, today, Undersecretary Murphy, Mr. Godfrey, and their associates in the Department of Agriculture. Also, we are pleased to have our chairman of the Committee on Appropriations, Mr. Mahon, with us, as well as Mr. Jonas and Mr. Langen, who have not been with us on previous hearings, as well as the members who have been on the subcommittee in years past.

This hearing was called to consider the budget request in House Document 59 to restore the capital impairment of the Commodity Credit Corporation in the amount of \$1,742,209,000.

Briefly, for the record, the Commodity Credit Corporation was originally organized for the purpose of providing price supports on agricultural commodities. With time, due to various laws the Congress has passed, the Commodity Credit Corporation has become the instrument by which quite a number of programs not directly related to price supports are financed.

The Corporation has a borrowing authority of \$14,500 million. There are three ways in which the Corporation can get money by which to operate:

One is through appropriations from the Congress to reimburse the Corporation for capital impairment as a result of price supports including loans and purchases and other programs assigned to it by law.

Another is from receipts from the sale of commodities owned by the Corporation.

The third would be for the Congress to increase the borrowing authority of the Corporation.

I have read the prepared text here. With much of it I am in accord, with some of it I have a different judgment than that of the Department. When I handled the bill on the floor last year, I advised the Congress then it was my personal judgment the Department would be back by the 1st of February requesting funds for the Corporation.

I will say to the members of the committee who have not had an occasion to become as thoroughly familiar with its operations, we have several laws in connection with the Commodity Credit Corporation, which conflict with each other. Some of the laws require the Department of Agriculture to support the price of certain commodities and it is a violation of the law not to support them. We have

other laws that say if they do support them, and the Corporation does not have the money, they are in violation of the law.

I do have an appreciation of the problems facing the Department and the officers of the Corporation, with the law on one hand saying you must and the other law saying you cannot if you do not have the money. That is sort of the situation the committee finds itself in today.

We have price supports based on maintaining the purchasing power of American agriculture, to enable them to buy equipment, machinery, and all the other things that have a built-in cost created by other laws. Further, we must sell on the world market at world prices if we are to sell. We must meet the difference between our price-support level and the price in the world markets if we are to sell at all. Historically, American agriculture must export about 20 percent to remain economically healthy.

I am aware the Congress has provided various and sundry programs, such as Public Law 480, whereby we have, in effect, made grants of commodities to various countries as part of our foreign policy. I am aware that under title IV of that law we have sold on long-term credit, and I understand it will be 20 years before you can expect repayment. The Corporation is charged again with a very fixed responsibility which it must meet regardless of cost.

I will say for the record that if we did not take action—if it got out in the press a few weeks from now that the Commodity Credit Corporation did not have financing—it would have a disastrous effect on the commodity markets of this country and upon our whole economy, and there is no question but what we might thereby set off a panic.

I think we are faced with the absolute necessity to meet this problem. I certainly do not mean to restrict anyone in making a record as to the whys and wherefores of the need. I thought it well to preface these hearings by making these points, however.

With that background, I wish you would proceed, Mr. Godfrey.

MR. GODFREY. Thank you, Mr. Chairman and gentlemen.

GENERAL STATEMENT OF THE ADMINISTRATOR, ASCS

Gentlemen, I would like to discuss the need for three 1965 supplemental appropriations to finance operations of the Commodity Credit Corporation.

Reimbursement for net realized losses.....	\$1,181,000,000
Public Law 480.....	506,000,000
International Wheat Agreement.....	55,000,000
Total	1,742,000,000

The estimate of \$1,181 million will restore all of the Corporation's losses through fiscal year 1963 except for the \$1,057 million remaining from the inventory revaluation in 1961. The estimate of \$506 million covers the estimated costs of titles I and IV of Public Law 480 through the current fiscal year in excess of available appropriations. This also accounts for the request of \$55 million for the International Wheat Agreement. The probable need for supplemental funds was discussed before the House and Senate Appropriation Subcommittees during the presentation of the 1965 budget.

As you are aware, the Congress has failed for several years to appropriate the full amount of Commodity Credit Corporation losses as authorized by law. In fact, subsequent to the fiscal year 1959, Congress has appropriated less than the amount requested in every year except one. Assuming approval of this supplemental request, there will still remain \$1.1 billion of unrestored losses relating to the 1961 revaluation of CCC inventories. As a result, the efficient operation of the Corporation has been impaired in recent years. Considerable difficulties have been encountered and extra costs incurred in attempting to keep within the limitation on borrowings in the absence of full restoration of capital impairment.

First, I would like to discuss reimbursement for net realized losses. At the time the 1965 budget was prepared, assuming enactment of appropriations requested, it appeared that the Corporation's borrowing authority would be sufficient to carry out authorized programs; however, current projections indicate that the available borrowing authority will be exhausted very shortly.

A combination of circumstances which could not be anticipated has since then adversely affected the timing of the use of funds, resulting in unusually heavy demands on the borrowing authority. For example:

1. Congressional action on 1965 appropriation requests resulted in about \$618 million less funds being made available to the Corporation than anticipated. Congress appropriated \$478 million less funds than requested in the budget as amended. Congress also did not approve interest-free borrowings to cover losses realized but not reimbursed which caused expenditures for interest to exceed the estimates by \$140 million.

2. The 1965 budget assumed that cotton program costs would decrease \$200 million, based on new legislation including an acreage diversion program for 1964 crop. New cotton legislation was enacted late in the season and did not include an acreage diversion program. As a result, the participation in the new domestic allotment program was lower than expected. The increased funds are needed primarily to meet the added cost of equalization and price-support payments. This will increase expenditures by \$543 million over the budget estimate.

3. An increase in expenditures for feed grains. Most of the increase is for advance payments due to an increase in estimated acreage to be diverted (from 25 to 35 million acres) under the 1965 program. The balance of the increase reflects reduced sales from CCC stocks since higher levels of corn stocks held by other than CCC are available to meet anticipated requirements. This will increase expenditures \$240 million over the 1965 budget estimate.

The 1965 budget assumed available borrowing authority as of June 30, 1964, totaling \$496 million. Primarily, as a result of smaller export sales of wheat and smaller sales of feed grains and increased tobacco loans, the actual balance of available borrowing authority as of June 30, 1964, was \$125 million, a reduction of \$371 million.

It is requested that a supplemental appropriation to reimburse CCC for realized losses be provided in the amount of \$1,181 million. This amount includes \$100 million of unrecovered 1962 realized losses and \$1,081 million of unrecovered 1963 losses. The proposed supple-

mental will make it possible to continue essential Commodity Credit Corporation operations consistent with current estimates and will allow for an operating margin for contingencies. This margin should be sufficient to handle any unforeseen developments resulting in more expenditures or less receipts than now expected in the current fiscal year.

Now I would like to discuss the Public Law 480 supplemental. The supplemental of \$506 million is required to place financing of costs under Public Law 480 on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. Congressional action on the 1962, 1963, 1964, and 1965 appropriations placed financing of Public Law 480 (except title IV) on a current or "pay-as-you-go" basis, in order to relieve the Corporation of the burden of financing these programs from its borrowing authority and to reduce unnecessary interest costs.

The 1965 appropriation for title I of Public Law 480 costs was \$281 million less than the request in the budget. This is about the same as the supplemental for title I requirements amounting to \$273 million.

Financing of the amounts due from foreign governments under title IV, which are to be paid on an installment basis up to 20 years, places a heavy burden on Commodity Credit Corporation's borrowing authority. The supplemental request for title IV for \$233 million would place financing of title IV costs on a current basis.

A supplemental of \$55 million is also required to place financing of International Wheat Agreement costs on a current basis. The 1965 budget assumed that the domestic market price would fall below the competitive world price. However, new wheat legislation, enacted in April 1964, resulted in a price increase for wheat and increased costs of \$30 million over the budget estimate. In addition, unrecovered 1964 costs were \$25 million more than estimated in the budget. This, together with the increase of \$30 million in the estimate of 1965 costs, makes the total supplemental for International Wheat Agreement requirements amount to \$55 million.

It is estimated that the borrowing authority of the Commodity Credit Corporation, which by law is used to finance costs of Public Law 480 and International Wheat Agreement programs in excess of appropriations for such programs, will not be sufficient to carry out its mandatory operations unless funds are provided under these supplementals.

Thank you, gentlemen. My associates and I will be glad to answer any questions you may have.

OPERATIONS OF THE CORPORATION

MR. WHITTEN. Mr. Godfrey, I think it would be well for you to enumerate at this time as best you can, with permission to correct for the record, the various requirements that the Congress puts on Commodity Credit Corporation and the financing involved which leads to a necessity to restore the capital impairment. In other words, could you enumerate from what you have before you the various laws which call on the Corporation to take action, such as, the price-support program, the Public Law 480 program, and the others which are financed by the Corporation and add to its costs? Feel free to add to the rec-

ord those citations of law that you overlook in your oral presentation.

Mr. GODFREY. All right, sir.

The operations of Commodity Credit Corporation involve price support, export programs, supply and related programs, and special activities.

Mr. WHITTEN. In connection with that, do you have the law that you can quote for the record?

Mr. GODFREY. On price support, the Commodity Credit Corporation Charter Act, which is 15 U.S.C. 714, and the Agricultural Adjustment Act of 1949, as amended, which is 7 U.S.C. 1421, make it mandatory that the Corporation support prices for farmers through loans, purchases, payments, and other means.

Mr. WHITTEN. In the record at this point, could you show the commodities on which you are required to support prices and commodities where you have purchase programs?

Mr. GODFREY. I will relate this.

The Agricultural Act of 1949 makes price support mandatory for what we call the basic commodities, or the act describes as basic. There are six in number—corn, cotton, wheat, rice, peanuts, and tobacco. This act also requires support of specific nonbasic commodities. These are listed in the law as tung nuts, honey, milk, butterfat, and the products of milk and butterfat, barley, oats, rye, and grain sorghums.

The National Wool Act of 1954, which was 7 U.S.C. 1781 to 1787, requires price support for wool and mohair. Price support for other nonbasic commodities is discretionary.

However, when the price of either cottonseed or soybeans is supported, the price of the other must be supported. Support must be at such levels as the Secretary determines will cause them to compete on equal terms on the market. The price-support program may also include removal and disposal of surplus farm products. This helps, as the chairman has pointed out, to stabilize prices at levels not in excess of those allowed by law.

Now, direct purchases of some products are also made. Also special purchases for the removal of surpluses are made under certain laws.

An example is section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which is 7 U.S.C. 1697. Section 308 provides for the purchase of animal fats and edible oils and their products to maintain the support level for cottonseed and soybeans.

The act of August 19, 1958, as amended, 7 U.S.C. 1431, provides for the purchase of wheat flour, cornmeal and processed food grain products. These are for domestic and foreign donation programs in lieu of processing CCC wheat and corn.

Section 416 of the Agricultural Act of 1949 as amended, which is 7 U.S.C. 1431, provides that price-supported products in private stocks may be made available for donation. This is done to prevent their waste before they can be (1) disposed of in normal domestic channels without impairing the price support program or (2) sold abroad at competitive world prices.

Now besides the Charter Act and laws mentioned above, there are many other laws applicable to the disposal of products acquired under the price-support program.

Mr. WHITTEN. Could we have separately now what requirements and programs are followed in the way of disposals that lead to charges against the Corporation, so far as you are able to recall?

Mr. GODFREY. As I recall, and I would like permission to change this in the record and get the exact date, the Agricultural Act of 1956 (7 U.S.C. 1853) required that we make—and I believe the chairman was responsible for this—our cotton produced domestically available in world trade at world competitive prices.

Now, prior to the passage of the Agricultural Act of 1964 last year, the Cotton and Wheat Act, we were selling cotton and paying export subsidies on such cotton to make it competitive.

Following are additional citations relating to CCC activities and brief descriptions thereof:

PRICE SUPPORT

Besides the Charter Act and laws mentioned above, many other laws are applicable to the disposal of products acquired under the price support program. The Agricultural Act of 1949, as amended, contains the most basic provisions in section 202 (7 U.S.C. 1446a), section 407 (7 U.S.C. 1427), and section 416. The Agricultural Trade Development and Assistance Act of 1954, as amended, provides for sales of surpluses for foreign currency. It also authorizes sales under long-term credit and supply contracts.

Donations of CCC stocks may also be made for foreign assistance. Title II of the Agricultural Act of 1956, as amended (7 U.S.C. 1856), covers disposal of strategic and other materials acquired by barter of agricultural commodities. Most of these laws also apply to the commodity export program, the foreign assistance programs, and the special export programs discussed later.

Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), the act of September 30, 1950, as amended (42 U.S.C. 1855 a, b), and the act of September 21, 1959, as amended (7 U.S.C. 1427 note) are principal laws which relate to use of food or feed for emergency or disaster relief. Donations may be made for training in home economics courses (7 U.S.C. 1431 note) and in cotton textile processes (7 U.S.C. 1431a). Donations may also be made to Federal penal and correctional institutions and State correctional institutions for minors (7 U.S.C. 1859).

Commodity export.—The Corporation promotes the export of farm products through sales, barter, payments, and other operations. Other than in barter for stockpiling purposes, such products may be from private stocks as well as from Corporation stocks. This program is carried out under the Corporation's charter, particularly sections 5(d) and 5(f), and in accordance with specific statutes, such as sections 407 and 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, title II of the Agricultural Act of 1956, as amended, and section 9 of the act of September 6, 1958. Export sales for foreign currencies are made under the Agricultural Trade Development and Assistance Act of 1954, as amended, although such sales of Corporation stocks may also be made under its charter authority.

The types of work done in 1965 are described below. With respect to barter, the emphasis has been shifted to exports in connection with various types of off-shore procurement of materials and services needed by the Department of Defense, the Agency for International Development, and other agencies. They repay the Corporation for this. Barter is also made for strategic and other materials for the supplemental stockpile. This is on a smaller scale. Goods for barter vary from time to time.

To the extent appropriations are not made in advance, costs under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, the International Wheat Agreement, and investments in materials transferred to the supplemental stockpile, are borne by the Corporation. The Corporation is repaid from later appropriations. These programs are further described under foreign assistance programs and special export programs.

To encourage exports from free-market supplies, payments are made on wheat, wheat flour, cotton, corn, grain sorghums, barley, oats, rye, rice, flaxseed, linseed oil, butter, nonfat dry milk, milkfat, and cheese. The rate of payment generally is the difference between the world sales price and the domestic market price. Most payments are in the form of payment-in-kind certificates (PIK) which are redeemed by the Corporation from its stocks. Stocks are acquired

from the Corporation subject to an obligation to export them. PIK certificates are also issued for wheat flour, cornmeal, and other processed food grains purchased for U.S. and foreign donation. In certain cases, costs of processing CCC stocks for such use are also paid with PIK certificates. If goods obtained with PIK certificates are shipped under titles I and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, or the International Wheat Agreement, the value of the certificate is charged to those programs.

To help develop or expand foreign markets the Corporation furnishes farm products for samples or exhibits at international trade fairs. It also donates goods for use abroad in testing consumer acceptance and commercial market potentials.

To maximize exports of CCC stocks, sales are made for dollars to U.S. exporters, with payment being deferred. Deferments are for periods of not to exceed 36 months. These deferred payment sales are made under the Corporation's charter authority. They are different from the long-term credit and supply contracts authorized by title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended. These are described under foreign assistance programs.

Storage facilities.—The Corporation conducts a program to provide storage to fulfill its program needs. This program is conducted pursuant to sections 4 (h) and (m), and 5 (a) and (b).

The Corporation buys and maintains (in storage-short areas) bins and equipment. It makes loans for the purchase, building, or expanding of storage facilities on the farm. It sells to farmers and others bins needed for the storage of grain. Bins sold may be those acquired for resale for this purpose or those which are no longer required by the Corporation for the storage of its own grain. The Corporation may also provide storage use guarantees. These guarantees are made to encourage building of commercial storage and undertake other operations necessary to provide storage for the Corporation's programs.

Supply and foreign purchase.—The Corporation procures from the United States and abroad food and other farm products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies. It also buys or helps to buy foods and other farm products, and material for sale to meet United States requirements during periods of short supply or during such other times as will stabilize prices or aid distribution. Through purchases, loans, sales, or other means, the Corporation may also make available materials and facilities needed for the production and marketing of farm products.

This program is conducted under sections 5 (b) and (c) of the Commodity Credit Corporation Charter Act.

Purchases for other Federal agencies of specialized commodities not in the Corporation's price support stocks has been the main activity under this program. Purchases of limited quantities of breeder foundation stock, and registered seeds of improved varieties of grasses and legumes are made by the Corporation. Purchases are made through production contracts in order to assure supplies thereof for farmers. Section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9), requires that the Corporation be fully repaid from funds of such agencies for services performed, losses sustained, operating costs incurred, or commodities bought or delivered to or on behalf of any other Federal agency. Operations not subject to section 4 may involve losses if such are necessary to the accomplishment of the objectives of the particular operation. No foreign purchases have been made in recent past years.

Feed grain acreage diversion program.—An acreage diversion program is conducted on 1964 and 1965 crops of feed grains by the Agricultural Stabilization and Conservation Service. The funds, facilities, and stocks of the Corporation are used. Under this program acreage diversion payments are made to farmers who divert acreage from growing feed grains (generally corn, grain sorghum, and barley) to an approved conservation use. This program is carried out under the Soil Conservation and Domestic Allotment Act, as amended by the Feed Grain Act of 1963 (Public Law 88-26, approved May 20, 1963).

Payments are made by negotiable payment-in-kind certificates. The farmer may elect either to have the certificate redeemed in feed grains from the Corporation's stocks or he may obtain cash from the Corporation. The Corporation markets rights, represented by certificates on which it has made cash advances. Such rights are marketed by the sale of grain represented by the certificates.

Wheat acreage diversion and certificate programs.—A wheat acreage diversion program and a wheat certificate program for 1964 and 1965 crops are conducted by the Agricultural Stabilization and Conservation Service. Funds and facilities

of the Corporation are used. These programs are authorized by the Agricultural Adjustment Act of 1938, as amended by the Food and Agricultural Act of 1962 and the Agricultural Act of 1964.

Acreage diversion payments in the form of negotiable sight drafts issued by the Corporation are made to farmers who divert certain acres from wheat production to an approved conservation use.

In addition, two types of marketing certificates are issued to a participating farmer. These are based on a portion of the normal production of his eligible acres planted for harvest. One certificate covers his share in the national marketing allocation for wheat. The national marketing allocation is based on estimates of wheat used for food in the United States. The other certificate covers his share of the export marketing allocation. Certificates may be sold at face value to the Commodity Credit Corporation. Processors of wheat into food products must buy domestic certificates for the number of bushels of wheat used in making food. Exporters must buy export marketing certificates for the number of bushels exported. Certificates may be purchased from CCC or any holder.

The Corporation makes payments on allowances in amounts which make U.S. wheat and flour competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.

Cotton.—The Corporation makes payments to cotton handlers (other than producers) to equalize the cost of raw cotton between domestic and foreign users. This program is carried out pursuant to the Agricultural Act of 1964, which provides for special programs for the 1964 and 1965 crops of cotton.

Payments are in the form of negotiable certificates issued by the Corporation. The handler or user may elect (1) to have them redeemed for upland cotton from the Corporation's stocks; (2) to repay cotton loans; or (3) to get cash by having the Corporation assist in marketing the certificates. In the latter case, the Corporation pays cash and then markets the rights represented by the certificates. This is done in the same manner as feed grain certificates are marketed on which advances have been made.

Special activities.—These activities are carried out under authority of section 5(g) of the Corporation's charter and other specific laws.

(1) *Sale of surplus agricultural commodities for foreign currencies (title I) (7 U.S.C. 1701-1709).*—Under this title, the United States accepts foreign currency in payment for surplus farm products. These currencies may then be used for such purposes as agricultural market development, purchase of strategic materials, military equipment, facilities, and services for the common defense, payment of U.S. obligations abroad, and military housing, among other specified purposes. If regular appropriations of any Federal agency are available for any unrestricted purpose for which foreign currencies are used, the agency must buy the currency for dollars. These dollars are credited to the Commodity Credit Corporation, and reduce subsequent Public Law 480 appropriations.

(2) *Commodities disposed of for emergency famine relief to friendly peoples (title II) (7 U.S.C. 1721-1724).*—Under this title, surplus stocks of the Commodity Credit Corporation are transferred, on a grant basis. Transfers are made to friendly nations or friendly peoples to meet famine or other emergency relief needs. Grants are also made to promote economic and community development in underdeveloped countries. Up to \$7.5 million each year may be spent to buy foreign currencies accruing under title I. These funds are to meet special costs (other than personnel and administrative) of cooperating groups, such as costs of essential tools and equipment.

The Corporation also pays ocean freight on shipments under this title. It also pays ocean freight on shipments of donated commodities under section 416 of the Agricultural Act of 1949, as amended. In addition, it may pay general average contributions (costs of shipping disasters) arising out of ocean transport of commodities.

(3) *Long-term credit and supply contracts (title IV) (7 U.S.C. 1731-1736).*—This title provides for sales of U.S. surplus farm products under long-term contracts. The major objective is to stimulate and increase sales for dollars through credit. The purpose is to develop foreign markets and the economies of friendly nations.

Generally, agreements may be entered into for the delivery of surplus farm products over periods of up to 10 years. Agreements are with the governments of friendly nations, including financial institutions acting on behalf of such nations. Agreements may also be made with U.S. and foreign private traders. Repayments are made in U.S. dollars, with interest. Repayments are made over

periods of up to 20 years. (In certain cases payment must be made within 5 years.) Interest is charged from the date of last delivery in each calendar year. Minimum rates of interest are set by law.

(4) *International Wheat Agreement* (7 U.S.C. 1641-1642).—The International Wheat Agreement Act of 1949, as amended, authorizes this program. The President, acting through the Corporation, makes available wheat and flour within maximum and minimum prices specified in the agreement. Maximum and minimum prices are set at rates which will provide stable world prices and supplies.

The Corporation makes payments in kind to exporters of wheat and makes cash payments to exporters of flour. Such payments cover the difference between the export price and the cost of wheat to exporters. If the domestic market price of wheat falls below the agreement price, exporters will make refunds of payments previously received.

(5) *Bartered materials for supplemental stockpile* (7 U.S.C. 1856).—Under title II of the Agricultural Act of 1956, the Corporation transfers strategic and other materials to the supplemental stockpile. These materials are acquired from the barter and exchange of surplus farm products. This does not cover materials acquired for the national stockpile or for other purposes.

(6) *Military housing (barter and exchange)*.—During 1957 a contract was completed for the disposition of Corporation-owned commodities valued at \$50 million. In return, military housing was constructed in France with foreign currencies obtained from this transaction. Section 2681(b) of title 10, United States Code, as amended, provided for payment of the Corporation of not to exceed \$6 million annually for this item and Public Law 480.

(7) *National Wool Act*.—Under the National Wool Act of 1954, as amended, incentive payments are made on wool. This is done to encourage U.S. production of about 300 million pounds of shorn wool per year. Support of prices of wool in order to bring the national average price received by all producers up to the announced incentive level. The incentive level cannot exceed 110 percent of parity. For the purpose of reimbursing the Corporation, section 705 of the act appropriates funds each fiscal year. The appropriation is an amount equal to amounts expended by the Corporation during the preceding year. However, the appropriation may not exceed 70 percent of the gross receipts of duties on wool and certain wool products imported during the preceding calendar year.

(8) *Grain for migratory waterfowl feed*.—To prevent damage of crops by migratory waterfowl, the Corporation is directed to furnish grain to the Secretary of the Interior (7 U.S.C. 442-445). This is grain acquired through price-support operations. It is certified by the Commodity Credit Corporation as available for such purposes or in such condition as to be undesirable for human consumption. The appropriation item to pay CCC for this program is included under the Department of the Interior.

(9) *Surplus grain for migratory birds*.—Under Public Law 87-152, approved August 17, 1961 (7 U.S.C. 448), the Secretary of the Interior may requisition grain of the Corporation to feed starving migratory birds.

(10) *Surplus grain for resident game birds*.—Any State, under Public Law 87-152, upon the finding of the Secretary of the Interior that resident game birds and other resident wildlife are threatened with starvation, may requisition grain from Corporation stocks (7 U.S.C. 447).

(11) *Grading and classing activities*.—The Corporation may make advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a, 440). Such advances used for classing cotton and grading tobacco not placed under price-support loan are repaid from an appropriation of the Agricultural Marketing Service.

(12) *Research to increase domestic consumption of farm commodities*.—The Department of Agriculture and Related Agencies Appropriation Act of 1964, Public Law 88-250, authorized the transfer of not more than \$16 million from the appropriation, removal of surplus agricultural commodities (sec. 32) to the Corporation. These funds are to increase domestic consumption of surplus farm products. The act also provided for further transfers not in excess of \$25 million in any one year, as may be approved by Congress. The 1965 appropriation act authorized the transfer of \$12,175,000 of section 32 funds for this purpose. The Corporation transfers such funds to the Agricultural Research Service and Cooperative State Research Service to conduct the required research.

(13) *Research to reduce surplus commodities*.—The Department of Agriculture and Related Agencies Appropriation Act of 1964 authorized CCC to transfer not to exceed \$15 million to the Agricultural Research Service. These funds

are for utilization research and development, cost of production research, and other related research. This research is designed to reduce CCC surplus stocks. The recovery of costs of this research is included in the appropriation "Reimbursement for net realized losses."

(14) *Soil bank program*.—Under section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture uses the facilities of the Corporation to make payments to farmers under this program.

(15) *Cropland conversion, agricultural conservation, and emergency conservation measures programs*.—Under section 101 of the Food and Agriculture Act of 1962, Public Law 87-703, approved September 27, 1962 (16 U.S.C. 590h(f)), the Secretary uses the services, facilities, and authorities of the Corporation to make payments to farmers under these programs.

(16) *Transfer of long-staple cotton from the national stockpile for sale by Commodity Credit Corporation*.—The act of July 10, 1957 (71 Stat. 290), authorized the transfer of 50,000 bales of domestically grown extra-long staple cotton from the national stockpile to the Corporation for sale. Also, about 219,000 bales of extra-long-staple cotton, both American-Egyptian and foreign grown, remaining in the stockpile were made available to the Corporation for disposition under Public Law 87-548, approved July 25, 1962. Proceeds, less administrative and other costs, are returned to the general fund of the Treasury.

(17) *Loans for agricultural conservation*.—Under section 391(c) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary. Advances are made in amounts not to exceed \$50 million per year. These funds are used to purchase conservation materials and services. Loans plus interest are repaid in the next fiscal year. Advances are repaid from appropriations for the agricultural conservation program.

INVESTMENT IN PRICE SUPPORT

Mr. WHITTEN. In addition, if I may interrupt, prior to the compulsory act that we passed, the Corporation finally realized that if you are going to sell in world markets you have to sell competitively or you do not sell. At that time, all other commodities but cotton were being sold in world markets.

Mr. GODFREY. That is right.

Mr. WHITTEN. They were being sold at world prices and the losses were being taken. Cotton was the only commodity that was still being held and not offered in world trade. I say that so the record may be complete. I was instrumental in this one, but earlier this subcommittee had insisted that the Corporation could not keep buying and never selling.

Can you tell us now as best you can, and give the details for the record, what commodities and their value you now have on hand. I think I am correct—correct me if I am wrong—up until the last year or so these commodities that you had on hand were carried with a charge equaling the original support price plus the accumulated carrying charges. So you showed the Corporation had invested the original loan, plus the storage, plus handling, plus other costs. If I recall correctly, in the last year or two you have changed that, so annually you charge off all of that except the original investment as an annual loss to the Corporation.

Mr. GODFREY. Yes, sir.

Mr. WHITTEN. So the figures you give us now, will be the value of the commodities in line with what you really put into them, and not what may have accumulated against them.

I am trying to show here what the status of the Corporation is. I will ask you later about its present cash situation.

Mr. GODFREY. I have the quantity and dollars here.

Mr. WHITTEN. You might touch on the larger ones and for the record supply all of them.

Mr. GODFREY. All right, sir.

Cotton: We have at the present time as of January 8, 1965, about 71½ million bales of cotton. The acquisition cost on this was \$1,244 million.

Mr. WHITTEN. Can you differentiate between that where you have made loans and have not yet taken title, and that where the Corporation has title? Where you have made loans and the expiration date has not yet arrived, you cannot sell those commodities and get your money back.

Mr. GODFREY. That is right.

Mr. WHITTEN. Those where the title has matured in the Corporation are available for sale. So you might in your statement, and particularly in the record, show those where you merely have loans outstanding without title and those where you have title to the commodity.

Mr. GODFREY. The figure that I just related was owned by the Commodity Credit Corporation. In addition to this, at the present time according to the last report, which is through January 8, we have loans on an additional 5,400,000 bales of cotton. So, owned and under loan we have a total of 12,927,000 bales of upland cotton.

Mr. WHITTEN. Do you have the dollar figure?

Mr. GODFREY. Yes. The dollar figure for the total quantity of upland cotton owned and under loan is \$2,035 million.

Mr. WHITTEN. You might go ahead with the other major commodities.

Mr. GODFREY. All right, sir. I am sure you would be interested in dairy products because this has been a problem over the years where we have had to acquire the commodities and then dispose of them the best way we could.

We made a real good record in the past year on dairy products. There has been quite a change in the inventory.

As of January 8, 1965, we own about 22 million pounds of butter, with a valuation of \$13 million; about 7 million pounds of butter oil, at a valuation of \$51½ million; about 18 million pounds of cheese, at a valuation of about \$6.8 million; and dried milk, 72 million pounds, with a valuation of about \$11 million. This is a substantial change from a year ago.

The larger commodities would be:

Wheat: We own at the present time—January 8, 1965—626 million bushels of wheat, at a valuation of \$1,281 million.

We own in the case of corn, 787 million bushels with a valuation of \$959 million.

In the case of grain sorghums, 546 million bushels, with a valuation of \$613 million.

These are the major commodities until we get to tobacco, which is all in a loan status handled by co-ops, who handle the entire operation.

In the case of burley tobacco, as of November 30, 1964, we had under loan 225 million pounds with a valuation of \$156 million, Fire-cured and Dark-air-cured, 59 million pounds with a valuation of \$30 million; Flue-cured, our largest, 817 million pounds, with a valuation of \$595 million.

These are the major commodities. We can put into the record, if you like, the complete record of all that is owned and then a record on what is now under loan.

Mr. WHITTEN. We will be glad to have that.
(The information supplied follows:)

The following statement reflects the estimated investment in price support as of January 8, 1965. It is based on actual November investment plus projected changes subsequent to November 30:

Investment in price support as of Jan. 8, 1965 (estimated)

[All figures in thousands]

Commodity	Unit of measure	Estimated Jan. 8, 1965 ¹					
		Pledged for loans		In inventory		Total	
		Quantity	Value	Quantity	Value ²	Quantity	Value
Basic commodities:							
Corn.....	Bushel.....	578, 505	\$619, 000	786, 581	\$958, 842	1, 365, 086	\$1, 577, 842
Corn products.....	Pound.....	20	4, 771	126	33, 267	146	38, 038
Cotton, Extra Long Staple.....	Bale.....	5, 400	790, 720	7, 527	1, 243, 942	12, 927	2, 034, 662
Cotton, upland.....	do.....	381, 125	42, 000	25, 938	4, 092	407, 063	46, 092
Peanuts.....	Pound.....	5, 711	28, 500	790	4, 137	6, 501	32, 637
Rice.....	Hundred-weight.....						
Tobacco.....	Pound.....	1, 213, 627	855, 000			1, 213, 627	855, 000
Wheat.....	Bushel.....	239, 384	349, 500	626, 276	1, 280, 734	865, 660	1, 630, 234
Wheat, rolled.....	Pound.....						
Wheat flour.....	do.....						
Bulgur.....	do.....						
Total basic commodities.....			2, 689, 491		3, 525, 014		6, 214, 505
Designated nonbasic commodities:							
Milk and butterfat:							
Butter.....	Pound.....			21, 883	12, 736	21, 883	12, 736
Butter oil.....	do.....			7, 199	5, 565	7, 199	5, 565
Cheese.....	do.....			17, 776	6, 790	17, 776	6, 790
Milk, dried.....	do.....			72, 312	11, 064	72, 312	11, 064
Barley.....	Bushel.....	33, 333	26, 000	19, 008	16, 518	52, 341	42, 518
Grain sorghum.....	do.....	111, 538	116, 000	545, 940	613, 091	657, 478	729, 091
Honey.....	Pound.....	6, 247	784			6, 247	784
Oats.....	Bushel.....	71, 930	41, 000	32, 217	19, 427	104, 147	60, 427
Rye.....	do.....	3, 486	3, 500	281	306	3, 767	3, 806
Tung oil.....	Pound.....	833	200	14, 865	3, 568	15, 698	3, 768
Total designated nonbasic commodities.....			187, 484		689, 065		876, 549
Other nonbasic commodities:							
Beans, dry edible.....	Hundred-weight.....	2, 702	19, 000	126	802	2, 828	19, 802
Cottenseed oil, refined.....	Pound.....			29, 584	3, 313	29, 584	3, 313
Cottonseed oil, refined (salad oil).....	do.....						
Flaxseed.....	Bushel.....	8, 865	25, 000	2, 419	7, 180	11, 284	32, 180
Linseed oil.....	Pound.....			80, 000	9, 440	80, 000	9, 440
Naval stores: Rosin.....	do.....	348, 282	36, 500			348, 282	36, 500
Soybeans.....	Bushel.....	43, 439	96, 000	4	9	43, 443	96, 009
Total other nonbasic commodities.....			176, 500		20, 744		197, 244
Subtotal commodities.....			3, 053, 475		4, 234, 823		7, 288, 298
Exchange commodities: Strategic and critical materials.....					9, 629		9, 629
Total.....			3, 053, 475		4, 244, 452		7, 297, 927

¹ Investment value before deduction of reserve for losses.

² Investment value of inventory represents acquisition cost plus cost of any packaging or processing performed after acquisition.

Mr. WHITTEN. My purpose is to make these details available to the committee and to the Congress. My prime purpose is to show the position of the Corporation as to commodities owned and loans outstanding. Do you have a figure before you as to the total value of commodities owned by the Corporation? I want you to break it down between that owned and that where loans are outstanding.

Mr. GODFREY. All right. Owned is \$4,751 million. Under loan is \$2,449 million, or a total of \$7,200 million, as of November 30, 1964, the latest available actual data.

Mr. WHITTEN. I think it is evident without asking for a reply from you that, if the Commodity Credit Corporation were to throw on the market the \$4.7 billion worth of commodities which you own, it would break every market in the world, including that in the United States, and would defeat the very purpose of the act itself.

Mr. GODFREY. Yes, sir.

Mr. WHITTEN. Yet that is one of the sources of financing for your obligations under the law.

Mr. GODFREY. It would cause us to take under loan that much more when the market price would fall.

Mr. WHITTEN. Of course, the \$2.5 billion, approximately, where you have loans outstanding—there is nothing you can do with those prior to the maturity date.

Mr. GODFREY. That is correct. In good faith we could not. We do have a right to call certain loans earlier than the maturity dates, but generally in good faith with the farmer we do not call the loan until maturity.

STATUS OF BORROWING AUTHORITY

Mr. WHITTEN. What is your net position today as to operating money to meet the obligations imposed on you by law?

Mr. GODFREY. We have as of the latest accounting yesterday, January 20, \$54 million of borrowing power left. We have taken many steps to try to conserve funds, and one which we realize is really serious, but we had no alternative. We have stopped making payments everywhere that we possibly could. We have stepped up our collection procedures. We now have in our four commodity offices outstanding bills of \$62½ million which we are holding and not making payments, because we needed the \$54 million, we felt, to make loans to farmers in county offices. These outstanding bills include some owed vendors of dairy products. You can imagine that we cannot hold this much longer. One vendor, for example, called the Commodity office on Tuesday and wanted to know where \$500,000 was that he had billed us for. He said that he could not meet his payroll for this week until that \$500,000 payment came through.

Mr. JONAS. Is the half million dollars owed to a vendor of agricultural products?

Mr. GODFREY. This was a vendor of dairy products where he had vendored the products under the price support program. We had acquired them from him and we have not as yet paid him. He has paid the farmer, you see.

Mr. JONAS. Is he a producer or a broker?

Mr. GODFREY. He is a processor. We buy dairy products in processed form.

Mr. JONAS. You said \$62 million is owed this one concern?

Mr. GODFREY. We have \$62.5 million of due but unpaid bills. This was from a hasty roundup this morning of four commodity offices.

Mr. WHITTEN. I might say for the record, I take note of the statement in your prepared paper that the Congress in recent years has not fully restored the capital impairment of the Corporation. The Congress and this committee, like all of us in our own households, can have great intentions where our budgets are concerned, but sometimes we cannot meet them fully.

Four years ago this committee attempted to try to see if we could improve on this situation by dealing with Public Law 480 and other foreign assistance programs, which are part of our foreign policy, as well as of great interest to American agriculture and those engaged in dealing with it. We attempted to put it on a pay-as-you-go basis. With time—I am not trying to blame one House or the other—under the stress of circumstances, and with the immediate financial situation that faced us, we have gradually drifted back to trying to provide just enough money to get by. Being conscious of the sum total of appropriations for each year and all the problems that face us, this was perhaps a natural tendency. However, each time that our committee has reported, I have tried to be very careful to point this situation out in order to be completely candid with the Congress. Last year I very carefully pointed out that it was my own judgment that the funds we had in the regular 1965 bill would be sufficient only to get you into this new calendar year and that I thought this supplemental would be up rather early in this year.

There is one other thing that perhaps should be pointed out here which enters into this matter. It is that American agricultural commodities have become such a big part of our foreign policy that it really is most significant.

I would like to point out further that all the various laws we have on the books which offer wage and price protection to various segments of our population—I am not complaining at this point, by any means, about that—lead to the higher cost for those things which must be used in agricultural production. In my opinion, this makes it imperative that by law we also maintain the purchasing power of American agriculture which in my own judgment has been the support of the rest of our economy.

That is not to say that I do not see many defects in existing laws. I have through the years. In fact, it is a lot easier for me to point out what does not work with regard to many of them, than it is to come up with a substitute that would be any improvement. However, I recognize that the Commodity Credit Corporation now has assets, from your statement, of approximately half of the total borrowing authority, about one-third of what you have you do not have title to, and cannot sell. Also, the other \$4½ billion you could not afford to sell unless you wanted to wreck the whole economy of the country. Yet you have a law that says you must proceed to support these commodities.

Mr. GODFREY. Mr. Chairman, may I put into the record a statement from the Congressional Record of September 2, 1964, a statement which Mr. Whitten referred to a few moments ago. This is his statement on the floor last year.

Mr. WHITTEN. I have been repeated by folks who were not nearly so friendly, so go ahead, Mr. Godfrey.

Mr. GODFREY. This is quoting from the Congressional Record, page 20775 of September 2, 1964. Quote:

Mr. WHITTEN. May I say to my good friends that there is no one more interested in agriculture than those who might differ with me on this particular point, but the Commodity Credit Corporation is broke, b-r-o-k-e, and you are going to be asked for over \$1 billion by February of next year and there is no way around it.

Mr. WHITTEN. I have tried to be candid. I recall having made the statement.

EXPENDITURES FOR FOREIGN ASSISTANCE TYPE PROGRAMS

I wish you would put in the record at this point the cost through the years that we have incurred from Public Law 480, from the International Wheat Agreement, from the barter programs, as well as the various other foreign assistance-type programs.

Mr. GODFREY. All right, sir.

(The information follows:)

Net expenditures of foreign assistance programs, fiscal years 1950 to 1965

[In millions]

Fiscal year	Public Law 480			Total Public Law 480	International Wheat Agreement Act enacted Oct. 27, 1949	Bartered materials for sup- plemen- tal stockpile enacted May 28, 1956	Total
	Enacted July 10, 1954		Sept. 21, 1959, title IV				
	Title I	Title II					
1950					\$75.9		\$75.9
1951					180.1		180.1
1952					171.3		171.3
1953					130.8		130.8
1954		1 \$78.9		1 \$78.9	59.0		137.9
1955	\$129.5	86.9		216.4	99.7		316.1
1956	614.7	93.6		708.3	92.3		800.6
1957	1,337.9	124.9		1,462.8	90.1	\$217.3	1,770.2
1958	1,073.2	121.4		1,194.6	82.4	83.9	1,360.9
1959	1,022.0	97.9		1,119.9	48.3	314.7	1,482.9
1960	1,232.0	95.5		1,327.5	66.3	192.4	1,586.2
1961	1,454.7	198.6		1,653.3	76.5	200.5	1,930.3
1962	1,454.8	241.9	\$29.0	1,725.7	90.0	193.3	2,009.0
1963	1,483.0	215.6	80.2	1,778.8	74.2	99.7	1,952.7
1964	1,415.3	228.2	60.5	1,704.0	125.8	37.7	1,867.5
Total through— 1964 (actual)	11,217.1	1,583.4	169.7	12,970.2	1,462.7	1,339.5	15,772.4
1965 (estimate)	1,246.7	210.5	204.3	1,661.5	30.0	80.0	1,771.5
Total	12,463.8	1,793.9	374.0	14,631.7	1,492.7	1,419.5	17,543.9

¹ Costs incurred under the following comparable programs authorized prior to enactment of Public Law 480: Transfer of wheat to the Government of Pakistan—act of June 25, 1953 (67 Stat. 80), \$69,400,000. Emergency famine relief to friendly peoples—Public Law 216, 83d Cong. (67 Stat. 476), approved Aug. 7, 1953, \$9,500,000.

Mr. MAHON. I might say, Mr. Godfrey, that in referring to the Congressional Record of last year you probably were referring to the temporary edition of the Record. The page reference which you gave will be a different page in the permanent volume.

(NOTE.—The permanent page numbers are not yet available.)

Mr. GODFREY. Yes, sir.

STATUS OF BORROWING AUTHORITY

Mr. MAHON. Some people could be misled by that. I think the record should show that.

I remember Mr. Whitten's handling of this matter last year and in previous years. In addition to the citation which you have given, I observe another citation in the August 20, 1964, Congressional Record, in the temporary volume, page No. 19981, where Mr. Whitten in a colloquy with Mr. Findley points out that it will be necessary to restore impairment of the commodity credit structure early in calendar year 1965.

I stepped out of the room for a moment during your testimony. I would like to have for my own use—and I am sure other members would be interested in it—a couple of pages, no more, showing the amount of stocks on hand, the estimated value, and the amount upon which you have loans but have not taken title. If you could get this in a very compact form——

Mr. JONAS. If the chairman will yield, I think you have this in mind, and Mr. Whitten almost completed it, but being a temporary member of this subcommittee I am somewhat in the dark. I thought you were going to ask for a balance sheet. You almost have one. You have some assets and you have \$62 million worth of liabilities. Then you stopped. Isn't what you want a balance sheet?

Mr. MAHON. I think it is good to have the balance sheet, but I am speaking now of the individual commodities. Let us have them in total first, and then show how much is tobacco and how much is dairy products, and so forth. We need these things right at our fingertips when we discuss them.

Mr. WHITTEN. If I might interrupt, Mr. Chairman, I had in mind what the gentleman from North Carolina has described. I want to be sure we have this information.

Mr. JONAS. Is the difference between the \$7.254 billion and \$14.5 billion, plus \$100 million capital, loss?

Mr. GODFREY. No, sir; not all of it.

Mr. JONAS. That is confusing.

Mr. BEACH. We have a reconciliation which we can insert in the record which does reconcile the figures.

Mr. MAHON. These figures will not be immediately printed. I want this information tomorrow myself. Of course, you will supply it to Mr. Whitten and the others.

Mr. WHITTEN. If the chairman will permit me, while he was out, I did follow this. I went item by item over this and proceeded in detail to get a complete picture. Since I went that far, I want you to be sure it is complete.

Mr. JONAS. Show all your assets and liabilities.

Mr. MAHON. Give us a memorandum on that and place it in the record.

Mr. GODFREY. All right.

(The information is as follows:)

The following statement reflects the status of borrowing authority as of January 20, 1965. Since the last official accounting report available covers the period through November 30, 1964, estimated amounts are included to cover the period after November 30. These are based on estimates of activity by months giving consideration to prior year experience during comparable periods

Status of statutory borrowing authority

[In millions of dollars]

Borrowing power authorized-----	14, 500. 0
Borrowing power in use, Jan. 20, 1965:	
Treasury borrowings-----	13, 763. 0
Loans held by banks-----	683. 0
Total-----	14, 446. 0
Balance available, Jan. 20, 1965-----	54. 0

DETAILS AS OF NOV. 30, 1964 (LAST ACTUAL AVAILABLE)

Investment in price support:	
Outstanding loans-----	2, 449. 0
Inventories-----	4, 750. 6
Total-----	7, 199. 6
Other assets-----	617. 4
Unrestored capital impairment-----	7, 119. 6
Unrecovered costs:	
Public Law 480-----	353. 9
International Wheat Agreement-----	29. 9
Other (National Wool, etc.)-----	41. 7
Total-----	15, 362. 1
Financing by other than borrowing power:	
Capital stock-----	100. 0
Advances from other appropriations-----	521. 7
Other unpaid obligations-----	558. 8
Total-----	1, 180. 5
Total borrowing power in use (Nov. 30, 1964)-----	14, 181. 6
Estimated activity Dec. 1, 1964, through Jan. 20, 1965:	
Change in investment in price support-----	+98. 3
Change in realized losses-----	+410. 0
Advances from other appropriations-----	-243. 9
Total estimated activity, Dec. 1, 1964, to Jan. 20, 1965-----	264. 4
Total borrowing authority in use, Jan. 20, 1965-----	14, 446. 0

REVALUATION OF CCC STOCKS

Mr. NATCHER. Mr. Godfrey, as a matter of clarification I wonder if you would explain a little more in detail that portion of your statement which appears on page 1 in the first major paragraph concerning the \$1,057 million remaining from the inventory revaluation in 1961.

Mr. GODFREY. Congressman Natcher, as you recall, we discussed with the committee on an informal basis the revaluation of stocks that were on hand June 30, 1961. These stocks were carried on the record at that time at the investment cost plus the charges that had been accrued to the stocks since they had been acquired. We realize that the stocks were not then worth exactly what they were when they were acquired plus accrued charges because the price support level had

gone down and many of them would have to be sold in foreign commerce, so we revalued the stocks at the acquisition value for them, taking out those charges that had accrued to them.

EXPORT SALES OF WHEAT

Mr. NATCHER. You further informed the committee, Mr. Godfrey, that there was a difference in the 1965 budget assumed amount of available borrowing authority as of June 30, 1964, totaling \$496 million brought about primarily as a result of smaller export sales of wheat and smaller sales of feed grains and increased tobacco loans. How do you account for the smaller export sales of wheat at this particular time, Mr. Godfrey?

Mr. GODFREY. At the time the 1965 budget was submitted it had been anticipated that there would be greater sales, particularly wheat sales to Russia. There is an adjustment in here of about \$283 million primarily as a result of the smaller sales. Wheat exports were down from the 1 billion bushels we had estimated to about 860 million bushels last year.

LEVEL OF RESTORATION AUTHORITY

Mr. NATCHER. Mr. Godfrey, would you agree that from time to time setting the restoration authority at a little smaller amount than requested has aided you people maybe in disposing of some surplus commodities that you might not have disposed of?

Mr. GODFREY. No, sir; I do not think it has really helped us any.

Mr. NATCHER. It has not helped you any at all?

Mr. GODFREY. No, sir. There are so many other factors that control the disposal of agricultural commodities. As the chairman has pointed out, we cannot dispose of agricultural commodities in such a way as to break the market or cause a decline in market prices. When you do, if you are selling at a price which will return you less than the support level, all you do is take under loan the commodities to replace it directly from farmers. For example, if we had sold large quantities of CCC corn, we then would have forced the market price down to such a level that most farmers eligible for price support loans would have placed their corn under loan rather than go ahead and sell it through the regular trade channels. This would also apply to cotton, tobacco, and other commodities.

Mr. WHITTEN. Mr. Addabbo?

EFFECT OF FAILING TO RESTORE CAPITAL

Mr. ADDABBO. Mr. Godfrey, what would be the end result if these losses were not restored to the Commodity Credit Corporation?

Mr. GODFREY. If we were to make an announcement that we had to suspend the operation of the Commodity Credit Corporation, I believe the impact on the total economy of the country would be greater than a combined rail strike, shipping strike, and communications strike.

SALE OF WHEAT TO SOVIET UNION

Mr. ADDABBO. Were the sales of wheat to Russia cash sales?

Mr. GODFREY. Yes.

Mr. ADDABBO. So those sales actually did not result in any part of this loss?

Mr. GODFREY. We sold some wheat out of our inventory at a price less than we supported the wheat for, but not at less than the price that prevailed in world markets.

Mr. ADDABBO. No further questions. Thank you.

Mr. WHITTEN. Mr. Michel?

REIMBURSEMENT OF NET REALIZED LOSSES

Mr. MICHEL. Mr. Chairman, I just want to say at the very outset that on May 19, 1964, on page 10986 of the Congressional Record, I had something to say relative to this matter when we first had the Agriculture bill on the floor of the House. I made mention during the course of those remarks of an amount of \$975,400,000 that should have been in the bill and actually was not, to bring the books of Commodity Credit up to balance. As a matter of fact, I think I said, "If we were to be honest with ourselves, if we were to balance the books of the Commodity Credit Corporation today through this bill, we would have to include an additional \$975 million."

Then I made reference to the fact that in the year before we had engaged in a little "budget buffoonery" by failing to appropriate more than a half billion dollars of that which we should have and that we would have to come back with a supplemental.

So, with that in mind, I can readily see the justification here probably for your request of \$1,181 million for reimbursement of net realized losses. I note that in that area you have \$100 million charged to the year 1962. How much had we previously appropriated for net realized losses for the year 1962?

Mr. GODFREY. \$2,699,400,000.

Mr. MICHEL. For 1962?

Mr. GODFREY. Yes.

Mr. MICHEL. With this \$100 million, now does that wipe the slate clear for the year 1962?

Mr. GODFREY. Yes, sir.

Mr. MICHEL. How would that total figure compare with the total net realized losses for the year 1963?

Mr. GODFREY. \$2,655 million for 1963, or about \$145 million less.

Mr. MICHEL. What are your best estimates now of what the net realized losses will be for the year 1964?

Mr. GODFREY. \$3,227 million. That excludes \$32 million of the National Wool Act, which is a separate appropriation.

PUBLIC LAW 480

Mr. MICHEL. Could we go on to this item of the \$506 million under Public Law 480? Was this an error in the Department's estimates? How did this come about?

Mr. GODFREY. It is about what we asked for, almost exactly the same amount that we asked for under title I.

Now, under title IV it is different from what we had in the 1965 budget. We are attempting to get title IV on a pay-as-you-go basis, as title I is at the present time, however, the current title I estimate is almost what we estimated it would be: the budget, as amended, \$1,893 million. The appropriation was \$1,612 million, a difference of \$281 million, and here we are asking for \$273 million.

COTTON PROGRAM

Mr. MICHEL. Referring to page 2 of your testimony where you speak of the cotton legislation which did not include an acreage diversion program, I assume from what you are saying there, that because it didn't the Department feels the estimates were \$200 million off?

Mr. GODFREY. We estimated a saving of \$200 million if an acreage diversion program was passed for cotton. The new legislation did not include this but included a domestic allotment plan. Because of the late passage of the bill which was signed into law April 11, 1964, it was too late for farmers to change their planning for the year. So we got very little participation in the domestic allotment plan.

Mr. MICHEL. Now, how do we reconcile this with the last sentence in that paragraph where you say:

This will increase expenditures by \$543 million over the budget estimate.

What are we talking about in that figure?

Mr. GODFREY. Factors other than the lack of an acreage diversion program have affected cotton expenditures. For example, the cotton yield this past year was the highest on record, and was in the neighborhood of 50 pounds per acre in excess of what we expected as a trend yield. Very favorable weather conditions were partly responsible for this. Because this yield went up, the total production went up. As the total production went up, we acquired more cotton under price support loan, which shows an additional net expense.

FEED GRAIN PROGRAM

Mr. MICHEL. I note further that you say:

The balance of the increase reflects reduced sales from CCC stocks, since higher levels of corn stocks held by other than CCC are available to meet anticipated requirements.

Going further, does this mean this \$240 million figure is attributed to the corn alone?

Mr. GODFREY. This comes about a little differently. In 1963 we had an unusually good year for corn, if you will recall. In 1964 we didn't have as good a year. But the 1963 crop was available during part of the fiscal year that we are talking about here and, since it was available in volume for sale into normal trade channels, then it reduced the amount that CCC could offer for sale. Had CCC offered their corn for sale it would have driven the market price on down further and we would have taken more of the 1964 corn under loan. But, since we could not sell as much as we had anticipated, then we failed to draw in as much sales proceeds as we expected.

Mr. Beach points out \$164 million of this \$240 million increase is a result of increased participation in the 1965 feed grain program and the remaining \$76 million was a result of the drop in sales.

BALANCE OF BORROWING AUTHORITY AS OF JUNE 30, 1964

Mr. MICHEL. In the next paragraph of your testimony you say that the 1965 budget assumed available borrowing authority as of June 30, 1964, totaling \$496 million. You then go on to say that, primarily as a result of smaller export sales of wheat and smaller sales of feed grains and increased tobacco loans, the actual balance of available borrowing authority as of June 30 was \$125 million or a reduction of \$371 million.

Now, what you are talking about here is the degree of flexibility which you have in actually operating, buying, and selling, in CCC, is it not?

Mr. GODFREY. We have an obligation to make loans when a producer desires a loan. For example, in the case of tobacco—and this is just an example—we reduced flue-cured tobacco acreage allotments 5 percent for the 1963 crop but, through a very favorable growing condition and improved technology, they wound up producing much more tobacco than we estimated in the 1965 budget. Therefore, more came in under loan. This and other factors amounted to about \$207 million more than we had expected during fiscal year 1964.

NET REALIZED LOSSES

Mr. MICHEL. In talking of these net realized losses, the other day, while checking with the Department on sales under Public Law 480 to Egypt, for example—I was putting together some total figures I can't recall specifically now, but I was given a figure of the export value, which amounted to something like \$450 million, and then the CCC value of \$100 million more than that figure. The difference between these two figures is what we are talking about as a total of net realized losses, or is this something else, again?

Mr. GODFREY. The net realized losses would include only the excess of the acquisition cost over the sales proceeds for commodities sold by CCC under Public Law 480. The commodity cost would be treated as a Public Law 480 cost.

Mr. MICHEL. Would you go on to say what it includes?

Mr. GODFREY. What we have included in CCC net realized losses would be the gain or loss on sales, taking the proceeds from the sales and the cost of the sales. It would include, also, the cost of commodities which might be donated under either domestic or foreign donation programs; also, storage, handling, and transportation expense.

Mr. MICHEL. Add anything you want to onto your colloquy here to make the story complete. The more facts we can have, the better.

Mr. GODFREY. These can be added to what I have related here—the price-support payments under the feed grain and wheat programs; the acreage diversion payments; the commodity export payments; the cotton equalization payments; and certificate sale operations in the case of wheat which normally show up as a gain. Then the administrative expense of handling all the transactions and interest expense.

(The following information shows the composition of fiscal year 1962 and fiscal year 1963 realized losses, plus an explanation of the items:)

Net realized losses, fiscal year 1963 compared with 1962

	Fiscal year 1963	Fiscal year 1962
I. Realized gains and losses (program):		
1. Commodity inventory operations:		
(a) Sales of commodities	\$2, 194, 261, 014. 14	\$2, 533, 605, 189. 93
(b) Cost of sales	*2, 062, 288, 091. 40	*2, 760, 012, 455. 88
(c) Net gain (or loss*) on sales	131, 972, 922. 74	*226, 407, 265. 95
(d) Cost of commodities donated	*554, 656, 651. 86	*481, 268, 021. 70
(e) Storage and handling expense	*377, 280, 950. 10	*393, 256, 854. 65
(f) Transportation expense	*170, 114, 250. 36	*134, 050, 978. 10
(g) Net gain (or loss*) on commodity inventory operations	*970, 078, 929. 58	*1, 234, 983, 120. 40
2. Export and other payments:		
(a) Export payments and allowances	*177, 955, 874. 51	*244, 180, 413. 80
(b) Special milk program for children	456, 857. 92	*88, 467, 379. 96
(c) Feed grain programs	*677, 262, 363. 07	*802, 955, 511. 22
(d) Wheat stabilization program	*268, 623, 794. 99	*65, 105, 372. 88
(e) National Wool Act payments	*39, 864, 253. 42	*57, 489, 958. 60
(f) Total export and other payments	*1, 163, 249, 428. 07	*1, 258, 198, 636. 55
3. Other program costs and adjustments:		
(a) Reseal loan storage expense	*75, 893, 406. 46	*70, 503, 886. 69
(b) Loan and other chargeoffs*	*18, 772, 938. 91	*13, 997, 395. 07
(c) Other costs and recoveries	594, 504. 60	5, 757, 112. 69
(d) Net total, other program costs and adjustments	*94, 071, 840. 77	*78, 744, 169. 07
4. Special recoveries authorized:		
(a) National Wool Act	39, 864, 253. 42	57, 489, 958. 60
(b) Special milk program for children	*422, 609. 45	88, 490, 918. 96
(c) Total special recoveries authorized	39, 441, 643. 97	145, 980, 877. 56
Net realized gain (or loss*) (program)	*2, 187, 958, 554. 45	*2, 425, 945, 048. 46
II. Income and expense (general):		
1. Income:		
(a) Interest on loans	18, 190, 375. 21	33, 461, 815. 93
(b) Other interest income	26, 565, 273. 90	25, 300, 011. 36
(c) Other income	624, 418. 68	667, 471. 50
(d) Total income	45, 380, 067. 79	59, 429, 298. 79
2. Expense:		
(a) Interest expense	*422, 367, 597. 72	*349, 413, 182. 16
(b) General overhead expense (net)	*89, 686, 534. 67	*83, 220, 340. 09
(c) Other expense	*220, 589. 85	*250, 890. 81
(d) Total expense	*512, 274, 722. 24	*432, 884, 413. 06
Net income (or expense*) (general)	466, 894, 654. 45	*373, 455, 114. 27
III. Total realized gain (or loss*)	*2, 654, 853, 208. 90	*2, 799, 400, 162. 73

NOTE.—All amounts reducing income or increasing expense or losses are designated by asterisks.

DESCRIPTION OF ITEMS INCLUDED IN CCC NET REALIZED LOSSES

I. REALIZED GAINS AND LOSSES—PROGRAM

1(a) *Sales of commodities.*—Sales are generally recorded by the Corporation when title passes to the purchaser; e.g., as commodities are shipped or loaded for shipment. Recoveries from warehousemen and carriers on inventory losses are also included in this classification.

1(b) *Cost of sales.*—Cost of sales includes the acquisition cost of commodities delivered to sales outlets plus the cost of any packaging or processing performed after acquisition. Inventory adjustments are also included.

1(d) *Cost of commodities donated.*—This item represents the cost of commodities donated under the Agricultural Act of 1949, Public Law 439, 81st Congress, as amended, and other authorizations. Cost of donations includes the acquisition cost of commodities donated plus the cost of any packaging or processing performed after acquisition.

1(e) *Storage and handling expense.*—This item represents costs of storing and handling commodities after acquisition by CCC. Costs of maintaining and operating CCC owned or leased storage facilities and costs of storing wheat in ships of the Maritime Reserve Fleet are included.

1(f) *Transportation expense.*—This item represents costs of transporting CCC-owned commodities and related expenses.

2(a) *Export payments and allowances.*—This classification includes cash payments to exporters for exportation of wheat products and cotton products; the value of payment-in-kind certificates issued for exportation of cotton, dairy products, feed grains, rice, and wheat; and price differentials allowed on sales of CCC-owned wheat for export and on loan cotton released for export; excluding cash payments, certificates, and price differentials relating to exports under Public Law 480 or the International Wheat Agreement.

2(b) *Cotton equalization program payments.*—This item represents the value of payment-in-kind certificates issued, or advances made for certificate rights surrendered, for equalization payments under the cotton equalization programs.

2(c) *Feed grain diversion payments.*—This item represents the value of payment-in-kind certificates issued, or advances made for certificate rights surrendered, for acreage diversion payments under feed grain programs.

2(d) *Wheat diversion payments.*—This item represents the amount of acreage diversion payments under wheat programs.

2(e) *Cotton price-support payments.*—This item represents the value of payment-in-kind certificates issued, or advances made for certificate rights surrendered, for price-support payments under the cotton domestic allotment program.

2(f) *Feed grain price-support payments.*—This item represents the value of payment-in-kind certificates issued, or advances made for certificate rights surrendered, for price-support payments under feed grain programs.

2(g) *Wheat price-support payments, 1963.*—This item represents the value of payment-in-kind certificates issued, or advances made for certificate rights surrendered, for price-support payments under the 1963 wheat program.

2(h) *National Wool Act payments.*—This item represents adjustment of amount recorded in prior fiscal year for incentive payments made under the National Wool Act.

3. *Other program costs and adjustments.*—This classification includes (a) the amount of storage payments earned by producers on grain stored on their farms under resale loans; (b) cost for research authorized by the 1964 and 1965 Department of Agriculture Appropriation Acts; (c) chargeoffs of loans and accounts and notes receivable; (d) adjustments of amounts expended under prior year programs for increased consumption of fluid milk by children in schools and institutions devoted to the care and training of children; (e) the excess value of payment-in-kind certificates issued to feed dealers under the livestock feed program over the amounts collected from livestock owners for feed to be delivered by the dealers; and (f) certain other program costs and recoveries not elsewhere classified.

4. *Special recoveries authorized.*—This classification represents amounts recovered or to be recovered from specific appropriations for program costs which are recorded as expenses or losses of the Corporation.

Net realized gain (or loss)—Program.—This total reflects all of the various income and expense items which are identifiable to specific programs.

II. INCOME AND EXPENSE—GENERAL

1(a) *Interest on loans.*—This classification includes interest accrued and collected on loans. Interest is accrued periodically on recourse loans held by the Corporation. Interest on outstanding, nonrecourse loans is not accrued but treated as income only upon collection in connection with repayment of loans.

1(b) *Other interest income.*—Includes interest on certain receivables due from congressional appropriations made or to be made, and on other receivables, notes, claims, and negotiable instruments.

1(c) *Other income.*—This classification includes various receipts which are not allocated to programs.

2(a) *Interest expense.*—Includes interest on borrowings from the U.S. Treasury, interest on capital stock of the Corporation, and interest on the investment of financial institutions in commodity loans.

2(b) *General overhead expense.*—Administrative expenses, custodian and agency fees, and other indirect expenses are included in this classification. Ex-

penses of the supply and foreign purchase program and various programs carried out on a reimbursable basis are included in the gross amounts of general overhead expense and the amounts reimbursed for such expenses are deducted to obtain net overhead expense.

2(c) *Other expense*.—This classification includes various expenses which are not allocated to programs.

EFFECT OF REQUEST ON 1966 BUDGET

Mr. MICHEL. If the subcommittee were not disposed to give you the full request of \$1,742 million—and I see that it is broken down into three integral parts—which has the most priority and which has the least priority?

Mr. GODFREY. I would hate to put priority on either one, except priority on total money. We feel that we need the money and must have it to continue operations.

Mr. MICHEL. Will the fact you are asking for this supplemental request have any bearing on the kind of total request we get from the Department in this area for the fiscal year 1966?

Mr. GODFREY. Of course, the President's budget message for 1966 has not been finalized and presented as of now, and if we fail to get the money here to continue operation, then there would have to be consideration given to an amendment to increase the amount that would be included in the 1966 budget. I presume that the 1966 budget is being formulated on the basis that this supplemental will be approved.

Mr. MICHEL. Doesn't that suggest that maybe it really isn't as urgent as you say it is, and that this is just another way of making the upcoming budget request look smaller than what it really ought to be?

Mr. GODFREY. No, sir. I couldn't agree with that at all. It is urgent. I related a little while ago our outstanding obligations and our available borrowing power as of now. Our average daily operations since the 1st of January for primarily price support loans to farmers has been in the neighborhood of \$25 million per day reaching as high as nearly \$70 million for 1 day immediately after the first of the year.

Mr. MICHEL. As you look down the road, without disclosing any confidences, do you foresee in this coming fiscal year any significant change up or down in the operations of CCC in this area that would effect the kind of figure you are looking for in 1966?

Mr. GODFREY. Well, the 1966 budget estimate will reflect the 1964 losses, which we have already mentioned here and given you a total on, and the 1967 estimate would include the 1965 losses. Of course, the operations of CCC are affected materially by the production of crops for which price support is offered. If as in the case of corn this past year production is off, then we have a smaller operation; but as in the case of cotton this year, if production is up, we have a greater investment.

TOTAL EXPENDITURES, DEPARTMENT OF AGRICULTURE, 1965

Mr. MICHEL. Mr. Grant, I have one question for you before yielding the floor: What are your best estimates now of total expenditures for the Department of Agriculture for the fiscal year in which we are presently in, 1965?

Mr. GRANT. The latest estimate is about \$6,800 million, for everything in the Department.

Mr. MICHEL. How does that compare with what you estimated or what your testimony might have shown as an estimate last year when you were before us?

Mr. GRANT. This is roughly about \$1 billion more. I believe the figure last year was about \$5.8 billion in the 1965 budget as it came up.

I should explain here that the increase in expenditures this year comes about primarily because of the items we have been talking about here today in connection with Commodity Credit Corporation activities.

Mr. MICHEL. I think that is all I have for the moment, Mr. Chairman.

NEED FOR SUPPLEMENTAL FUNDS

Mr. JONAS. I would like to get a little better picture than I have about the need for this money. I have served on deficiency committees in the past and we always followed the theory that there must be a real deficiency before we approve it.

UNCERTAINTY OF ESTIMATES

In the first place, I don't know why you came to the committee last year claiming nearly a \$1 billion reduction over the previous year, if you had an idea, and it has been expressed here today that you were going to wind up with \$1.5 billion deficit. Why did you not ask for this money last year?

Mr. GODFREY. We did not realize, certainly, Congressman Jonas, that we would need it. As the statement pointed out, there are several areas in CCC operations where you have to make estimates as to the extent of your operation. In making the estimates, for example, we had no way of knowing that 1964 cotton crop yields would set a record—nearly 50 pounds per acre above our estimate in the 1965 budget.

Mr. JONAS. You claimed a reduction last year in the previous year's budget of \$975,400,000. That made you look good. Now, before the year is out, you come in with \$1,700 million deficit.

Mr. GODFREY. The budget estimate was based entirely on the best estimates of what we expected in the way of crop production, including some legislation that we expected to get which was not forthcoming.

Mr. JONAS. But \$140 million at interest is really insignificant if compared with \$1.7 billion.

Somebody down in the Department is not doing very good estimating if you can come up here a year ago and claim that you have reduced the budget over the previous year by \$1 billion and then before the expiration of the year is out come up and say you have a deficit of \$1,700 million. I just don't quite understand who is doing that kind of estimating, and on what kind of figures it is based.

Mr. GODFREY. Perhaps I could run through the entire thing again for you and point out where this difference comes about.

Mr. JONAS. Your statement is in the record and I have read that. I merely want you to respond, if you will, to the question of why you

would have reduced your budget estimate over the previous year by \$975 million and then run out of money and have to have \$1,700 million before the expiration of the year.

You wouldn't be in this fix, had you not reduced the budget last year by \$975 million, would you?

Mr. GODFREY. At the time the budget was submitted last year it was based on essentially the best estimates that we could possibly make. As I point out, there were several things that happened during the course of the year over which we had no control, which forces us to come back now.

BALANCE SHEET

Mr. JONAS. Let's put this another way: You have told us that you have assets, commodities on hand, of \$4,750 million, and you have loans outstanding of nearly \$2.5 billion, and \$200 million in cash. Do you have any other assets?

Mr. GODFREY. I will ask Mr. Beach to give you the balance statement here that you referred to a little while ago—

Mr. JONAS. We have asked for that, but we will have this bill on the floor Tuesday and I would like to know something about this balance sheet, now, so that I can get some answers to some questions that we will need to use Tuesday.

Mr. BEACH. Let me start off with this explanation at the outset. Our borrowing authority, \$14.5 billion, is comprised of an authority for borrowing either from the Treasury or from banks up to a total of \$14.5 billion. That means any loans made by banks on our behalf must be charged 100 percent against this \$14.5 billion borrowing power. Any money we spend either for carrying charges, buying inventories or whatever and borrow from the Treasury as a source is also automatically charged against the borrowing power.

What Mr. Godfrey told you earlier was that at the close of business yesterday we had, in use, all but \$54 million of that \$14.5 billion of borrowing power in the form of either loans held by banks, as best as we can get the estimates on a daily basis, or actual Treasury borrowings. So there can be no argument about the position of the Corporation because it is simply the difference between the statutory limitation and the borrowings outstanding.

Mr. JONAS. You have used up all your borrowing authority?

Mr. BEACH. Except \$54 million.

Mr. JONAS. You have that in cash?

Mr. BEACH. No; we don't have that in cash.

Mr. JONAS. I understood Mr. Godfrey to say you had it in cash.

Mr. BEACH. We have the authority to borrow this much more. We borrow as we use it.

We usually carry no cash balance. This statement which I have here, which I will refer to now, reconciles the borrowing power in use as of November 30 where we had full information—the last full information date. As you stated, the portion of the borrowing power represented by "investment in price support," as we call it, was \$7.2 billion; almost \$2.5 billion in loans, and \$4.75 billion in inventory.

We had \$147.7 million invested in program costs that we had previously incurred, for which we had not been reimbursed under Public Law 480, the National Wool Act, the International Wheat Agreement and a couple of other small donation programs.

We had due from the Department of Defense under military housing, \$101.2 million; due from foreign governments under title IV, \$176.6 million.

There were other accounts and notes receivable of \$213 million. And then we have——

Mr. JONAS. What a minute. Who owes this money to you?

Mr. BEACH. Anyone with whom we deal—we deal as a corporation in ordinary business terms, with anyone. I can give you the complete detail of it, here. We had on November 30, 1964, recoverable from Government agencies, \$2.7 million. From barter and exchange contractors, \$68.6 million; \$3.2 million in payment-in-kind programs and then others, which includes all types of commercial enterprise with whom we deal, \$138.2 million. In addition to the ones that I mentioned.

Mr. JONAS. How much do those total?

Mr. BEACH. Those are under the heading of other accounts and notes receivable, and they total \$212.7 million.

Mr. JONAS. That is a total?

Mr. BEACH. Yes.

Mr. JONAS. And \$102 million of that is owed by the Department of Defense?

Mr. BEACH. No, that is an additional item, \$101.2 million.

Mr. JONAS. Why don't they pay you?

Mr. BEACH. This we would like to have them do.

Mr. JONAS. Is it past due?

Mr. BEACH. No.

Mr. JONAS. Let's explore that a little bit.

Mr. BEACH. The law provides the Department of Defense may erect family housing, using Public Law 480 currencies and that they will reimburse the corporation for those currencies out of housing allowances due the military personnel that occupy the housing. This is done over a period of years.

Mr. JONAS. I am familiar with the program.

Mr. BEACH. This is paid to us as the allowances accumulate under the housing program. It is not all due at the moment. Nevertheless it reduces CCC borrowing power until it is paid.

Wheat marketing certificates totaled \$210 million; fixed assets, \$80 million; cash and other assets totaled \$68 million on that particular day. Storage facility and equipment loans—\$46 million——

Mr. JONAS. Is that \$68 million borrowing authority?

Mr. BEACH. That is \$68 million of cash and other assets, including items in transit.

Mr. JONAS. You just said you carry no cash.

Mr. BEACH. We don't ordinarily carry a cash balance and this would not be an ordinary cash balance. We borrow from the Treasury on a daily basis. If we get more receipts today than we had disbursements, we would repay. If we get less, we would borrow the next day.

Mr. JONAS. Is it possible to recover any money out of these accounts receivable in this fiscal year?

Mr. BEACH. We will recover a substantial part of them.

Mr. JONAS. How much do you estimate you will recover from receivables before June 30?

Mr. BEACH. I have no estimate.

Mr. JONAS. What would be your best guess?

Mr. BEACH. There is an offset against payables. We have an increase in payables or a decrease in payables—

Mr. JONAS. I will get to the payables in a minutes. I would like to keep it to the receivables, if I may.

Mr. BEACH. We have accounts receivable estimated as of the end of the fiscal year of \$110 million, plus \$150 million, or a total of \$260 million.

We would estimate we would have increased our accounts receivable by the end of the year, rather than decrease them. We estimated our receivables will increase up to \$260 million by the end of June 1965, from the figure that I gave you of \$213 million, but we expect in time to recover on essentially all of our receivables.

Mr. JONAS. What I am trying to get at is simply this: How much do you expect to take in between now and June 30, and then I am going to ask you what you expect you will have to pay out?

Mr. BEACH. Mr. Jonas, you are asking for a mammoth analysis which would take weeks to do. We would be glad to give it to you in written form. We project every month. It involves every disbursement the Commodity Credit Corporation makes on every loan program, every purchase or payment program and the payment of interest, other carrying charges and the offset of all receipts from repayments, sales, and other collections.

Mr. JONAS. You have the figures for last year. How much did you take in from January through June of last year, and how much did you pay out from January to June? We can use the figures for last year as a yardstick.

Mr. BEACH. We have a statement here which shows the expenditures and disbursements.

Mr. JONAS. Say from February through June?

Mr. BEACH. If you want the data for a period of less than a year, we will have to do it separately. I can give you a total for the fiscal year.

Mr. JONAS. I am simply trying to get you to put in some figures here to justify your statement that you need this \$1.7 billion instead of just saying you need it.

Mr. BEACH. We had \$54 million available as of January 20. We estimate with this supplemental we will have net disbursements exceeding receipts of \$1.742 billion, less \$947 million, about \$800 million between now and June 30.

Mr. JONAS. In loans, or purchases, one or the other?

Mr. BEACH. Loans, purchases, payments, acreage diversion payments, export payments, less liquidation of wheat marketing certificates, repayments, sales proceeds, and other receipts.

Mr. JONAS. You will not have too many crop purchases?

Mr. BEACH. We will be buying dairy products.

Mr. GODFREY. This is the heavy season.

Mr. JONAS. It is not the heavy season for cotton and corn.

Mr. BEACH. This [indicating] is a statement of our estimates of the obligations and receipts against borrowing power month by month for the fiscal year 1965 as of now, commodity by commodity and trans-

action by transaction, which I will be glad to insert in the record if you would like to have it.

Mr. JONAS. If all that information was available to you, I cannot understand why you came to the regular committee last year with a \$1 billion reduction in the previous year's budget.

Mr. BEACH. The estimate made last year was based on the assumptions Mr. Godfrey outlined to you, that the cotton legislation would result in savings in expenditures of \$200 million below the estimated expenditures based on a continuation of the 1963 type program and the other piece of legislation was the \$140 million saving in interest cost which would have resulted from the language stricken from the floor last year on a point of order. That is \$340 million. Instead of having a saving on cotton of \$200 million as was expected, the cost increased \$343 million which made a difference of \$543 million. When you add those two items together—

Mr. JONAS. Do you want the record to show the cotton program cost that much more than you estimated?

Mr. BEACH. Yes. This is our current estimate.

1965 APPROPRIATIONS

Mr. JONAS. If you get this \$1.7 billion and add it to the \$1.574 billion you got in the regular bill, that will be \$3.274 billion you have had in 1 year which is far more than you had in any recent previous year; is that correct?

Mr. BEACH. It is because it is covering costs incurred in prior years; yes, sir.

Mr. JONAS. Your actual appropriation in 1963 was only \$2.2 billion. In 1964 it was \$2.6 billion. If you get this \$1.7 billion, it will be \$3.2 billion in 1965.

Mr. BEACH. Yes, sir. However, only \$2.755 billion will be for the restoration of CCC-realized losses—a figure comparable to the ones you quoted for 1963 and 1964.

Mr. JONAS. I did not understand Mr. Godfrey's statement that you got half a billion dollars less than requested last year. I was not on the full committee, and I did not know I was going to be in this hearing until an hour ago and I did not do all the research I needed, but in looking at the reports for last year, it looks to me as if you were cut only \$150 million.

Mr. BEACH. We were cut \$478 million in actual appropriations and an additional \$140 million as a result of the action not to approve the reduction in interest.

Mr. JONAS. Last year, did you request \$1.7 billion—

Mr. BEACH. Yes; \$1.724 billion.

Mr. JONAS. And you got \$1.574 billion, which is \$150 million less. Where did the other come in?

Mr. BEACH. A reduction in Public Law 480 appropriations from that requested.

Mr. JONAS. The \$1.724 billion that I refer to applies to reimbursable losses?

Mr. BEACH. That is correct.

Mr. JONAS. And does not include the other losses?

Mr. BEACH. That is correct. The request for CCC reimbursement

for realized losses was \$930 million less than the actual realized losses, and that \$930 million is what we are including in this supplemental here today.

OBLIGATIONS AND RECEIPTS, 1964-65

Mr. JONAS. One other question. What do you expect to dispose of between now and the end of the fiscal year?

Mr. BEACH. We can go through this, commodity by commodity and month by month.

Mr. JONAS. Give me the totals.

Mr. BEACH. We do not have the totals in that way.

Mr. JONAS. Frankly, I do not have time to go through that 12-page document and analyze all those commodities. I would have thought you would have been able to tell this committee how much you expect to dispose of between now and the end of the fiscal year.

Mr. BEACH. We are operating here a corporation that is doing a business that turns over \$12 or \$13 billion a year. We do not pull these figures together every day. We get complete reports only monthly. The last complete report of all our transactions is the one for November.

Mr. JONAS. How did you compile the figures that you gave the Budget Bureau for the President's budget that is coming up here next Monday?

Mr. BEACH. Just like this: we estimated all transactions, month by month, looking ahead with all the knowledge that anyone in the Department of Agriculture has.

Mr. JONAS. Can you not tell us now what you expect to realize from the disposal of assets between now and June 30?

Mr. BEACH. If I had an adding machine, I could add the figures up, but they may not be the actual figures we will finally show for disposals. They would be the best estimate we have.

Mr. MAHON. Give us the figures tomorrow and place them in the record.

Mr. JONAS. You have adding machines in the Department.

Mr. BEACH. We have the monthly estimates right here.

Mr. JONAS. I cannot add those figures in my head. I thought you would be prepared to tell the committee how much you expected to realize in disposal of assets between now and June 30, but if you are not so prepared, let the record show that.

Mr. BEACH. I guess that will have to be, because we cannot show exactly how much we expect to dispose of between now and June 30.

Mr. MAHON. Provide for the committee tomorrow what this tabulation shows.

Mr. BEACH. All right, sir.

(The information is as follows:)

The Commodity Credit Corporation has utilized to date all funds it has received in the fiscal year 1965 to pay off borrowings. Thus, the total appropriations made to reimburse the Corporation for Public Law 480 and other special activity costs became a part of the general funds of the Corporation and have been so used. Receipts from sales and loan repayments, together with the supplemental appropriation when approved, will also become a part of the general funds of the Corporation.

Shipments under Public Law 480 in the period January to June 1965 are based upon authorizations and sales agreements made many months ago and are not based on future plans for exports. The effect of these exports upon price support operations has been considered in the following tabulation for 1965.

Obligations and receipts against borrowing authority, fiscal year 1965

[Millions of dollars]

Item	July 1–Nov. 30, 1964, activity (cumulative) (actual)	Dec. 1–31, 1964, activity (estimate)	Jan. 1–June 30, 1965, activity (estimate)	Total, fiscal year 1965 (estimate)
Price support and related obligations:				
Loans made:				
Feed grains.....	144.5	87.5	215.5	447.5
Wheat.....	192.1	57.9	114.5	364.5
Cotton.....	539.7	254.3	203.5	997.5
Tobacco.....	167.9	32.1	51.5	251.5
Soybeans.....	34.4	45.6	77.5	157.5
All other.....	100.9	20.6	55.6	177.1
Total, loans made.....	1,179.5	498.0	718.1	2,395.6
Purchases:				
Wheat and wheat flour.....	32.8	17.4	114.7	164.9
Dairy products.....	70.1	18.9	222.7	311.7
All other.....	54.5	21.7	88.9	165.1
Total, purchases.....	157.4	58.0	426.3	641.7
Price-support payments:				
Feed grains.....	274.9	.1	–6.0	269.0
Cotton.....	38.8	1.2	26.0	66.0
Total, price-support payments.....	313.7	1.3	20.0	335.0
Diversion payments:				
Feed grains.....	496.5	4.5	381.5	882.5
Wheat.....	33.2	.8	—	34.0
Total, diversion payments.....	529.7	5.3	381.5	916.5
Equalization payments on cotton.....	185.0	55.0	243.0	483.0
Wheat certificates issued.....	398.1	1.9	20.0	420.0
Other obligations, including interest and operating expenses.....	1,026.7	3.6	372.5	1,402.8
Total, price support and related obli- gations.....	3,790.1	623.1	2,181.4	6,594.6
Price support and related receipts:				
Sales:				
Feed grains.....	72.9	32.7	443.7	549.3
Wheat.....	167.5	42.5	435.4	645.4
Cotton.....	303.8	56.2	336.3	696.3
Dairy products.....	88.1	11.9	38.7	138.7
All other.....	104.9	27.9	106.3	239.1
Total, sales.....	737.2	171.2	1,360.4	2,268.8
Loan repayments:				
Feed grains.....	160.1	5.6	115.8	281.5
Cotton.....	101.9	25.1	141.3	268.3
Tobacco.....	35.2	15.8	103.5	154.5
Soybeans.....	55.4	9.6	99.0	164.0
All other.....	44.7	17.8	109.9	172.4
Total, loan repayments.....	397.3	73.9	569.5	1,040.7
Collections from wheat processors and ex- porters.....	187.6	32.4	275.2	495.2
Other receipts.....	50.8	3.2	–14.1	39.9
Total, price support and related receipts.....	1,372.9	280.7	2,191.0	3,844.6
Net obligations, price support and related.....	2,417.2	342.4	–9.6	2,750.0
Special activities (net obligations):				
Public Law 480.....	649.0	167.0	845.0	1,661.0
International Wheat Agreement.....	5.0	5.0	20.0	30.0
Barter.....	16.0	14.0	50.0	80.0
Other (National Wool Act, etc.).....	–127.0	–29.0	209.0	53.0
Net obligations, special activities.....	543.0	157.0	1,124.0	1,824.0
Total, net obligations.....	2,960.2	499.4	1,114.4	4,574.0

Obligations and receipts against borrowing authority, fiscal year 1965—Continued

[Millions of dollars]

Item	July 1-Nov. 30, 1964, activity (cumulative) (actual)	Dec. 1-31, 1964, activity (estimate)	Jan. 1-June 30, 1965, activity (estimate)	Total, fiscal year 1965 (estimate)
Add: Borrowing authority in use, beginning of period.....	14, 375.4	14, 181.6	14, 181.0	14, 375.4
Deduct: Appropriations received.....	3, 154.0	500.0		3, 654.0
Borrowing authority in use, end of period.....	14, 181.6	14, 181.0	15, 295.4	15, 295.4
Statutory borrowing authority.....	14, 500.0	14, 500.0	14, 500.0	14, 500.0
Balance available:				
Without supplementals.....	318.4	319.0	-795.4	-795.4
With supplementals.....			946.5	946.5

NOTE.—This tabulation indicates an unused balance of borrowing authority at the end of December of \$319,000,000, taking into consideration the advance of all available Public Law 480 and other appropriations to the Corporation. Thus these funds which have been advanced have been used in part to finance regular CCC price support operations. It will be necessary to "repay" those advances. On the basis of the best estimates which can be made at this time of total obligations by the Corporation for its regular activities and for special activities, \$795,400,000 will be required to carry out the authorized activities as well as to "repay" advances described above. In addition, funds are required to provide an operating margin. In view of the many unpredictable factors affecting the Corporation's expenditures such as producer participation in programs, weather, exports, and general economic conditions which cannot be accurately forecast for even a 6-month period, an adequate operating margin is essential.

Obligations and receipts against borrowing authority, fiscal year 1964

[Millions of dollars]

Item	July 1 to Dec. 31, 1963, activity (actual)	Jan. 1 to June 30, 1964, activity (actual)	Total, fiscal year 1964 (actual)
Price support and related obligations:			
Loans made:			
Feed grains.....	289.8	286.8	576.6
Wheat.....	247.2	43.8	291.0
Cotton.....	994.7	271.7	1,266.4
Tobacco.....	227.5	77.4	304.9
Soybeans.....	110.9	43.8	154.7
All other.....	143.3	39.3	182.6
Total, loans made.....	2,013.4	762.8	2,776.2
Purchases:			
Wheat and wheat flour.....	41.1	78.1	119.2
Dairy products.....	119.1	255.5	374.6
All other.....	53.1	72.8	125.9
Total, purchases.....	213.3	406.4	619.7
Price support payments:			
Feed grains.....	364.5	17.9	382.4
Wheat.....	71.4	7.8	79.2
Total, price support payments.....	435.9	25.7	461.6
Diversion payments:			
Feed grains.....	277.1	369.0	646.1
Wheat.....	104.8	9.9	114.7
Total, diversion payments.....	381.9	378.9	760.8
Transition payments, cotton.....		62.6	62.6
Wheat certificates issued.....			
Other obligations, including interest and operating expenses.....	797.8	420.7	1,218.5
Total, price support and related obligations.....	3,842.3	2,057.1	5,899.4

Obligations and receipts against borrowing authority, fiscal year 1964—Continued

[Millions of dollars]

Item	July 1 to Dec. 31, 1963, activity (actual)	Jan. 1 to June 30, 1964, activity (actual)	Total, fiscal year 1964 (actual)
Price support and related receipts:			
Sales:			
Feed grains.....	165.1	257.8	422.9
Wheat.....	250.4	668.6	919.0
Cotton.....	361.7	201.8	563.5
Dairy products.....	33.8	55.4	89.2
All other.....	68.7	67.1	135.8
Total, sales.....	879.7	1,250.7	2,130.4
Loan repayments:			
Feed grains.....	106.3	117.7	224.0
Cotton.....	90.0	197.9	287.9
Tobacco.....	35.1	17.3	52.4
Soybeans.....	58.0	53.1	111.1
All other.....	95.3	155.2	250.5
Total, loan repayments.....	384.7	541.2	925.9
Collections from wheat processors and exporters.....			
Other receipts.....	91.4	31.4	122.8
Total price support and related receipts.....	1,355.8	1,823.3	3,179.1
Net obligations, price support and related.....	2,486.5	233.8	2,720.3
Special activities (net obligations):			
Public Law 480.....	711.0	993.0	1,704.0
International Wheat Agreement.....	54.0	72.0	126.0
Barter.....	18.0	20.0	38.0
Other (National Wool, etc.).....	-61.0	74.0	13.0
Net obligations, special activities.....	722.0	1,159.0	1,881.0
Total, net obligations.....	3,208.5	1,392.8	4,601.3
Add: Borrowing authority in use, beginning of period.....	14,452.5	13,764.6	14,452.5
Deduct: Appropriations.....	3,896.4	782.0	4,678.4
Borrowing authority in use, end of period.....	13,764.6	14,375.4	14,375.4
Statutory borrowing authority.....	14,500.0	14,500.0	14,500.0
Balance available.....	735.4	124.6	124.6

Mr. JONAS. That is all.

COMMODITY CREDIT CORPORATION MARKET POSITION

Mr. WHITTEN. At this point, I might point out two or three things.

First, this is a corporation which was created as a corporation so it could have the freedom of operation of a corporation. I am talking about the legal freedom to sue and be sued and move and act as any other business. I am speaking free-handedly now. You have a lot of things to be considered.

On the domestic market, you have the problem of how to deal with the Commodity Credit Corporation stocks so as to not break a market. If you break a market, you lose a lot more on the commodities you do not sell than you might have if you had fed your commodities into the domestic market gradually. You have an obligation under the law to sell these Commodity Credit Corporation-owned commodities in world trade, but if you do it to the point of breaking the world market you lose more on what you sell than if you had done it gradually.

There was a period in history, and this subcommittee takes some pride in this, when the Department would not sell anything in world trade at competitive prices. You do not sell if you do not make them competitive. They built these Commodity Credit Corporation holdings up to tremendous figures and then used them to cut out domestic production. This committee insisted we had to get back into world markets. But to get back in the world markets you have to do it on a day-to-day basis. Other countries have no vehicle like Commodity Credit Corporation. If they produce many of these things, they have to sell them and will dump them on the market. This is a corporation where you have to feed its commodities into the market as the market will best take them to hold our fair share of the world markets.

There were years when this big Corporation did not even have any sales manager or sales program, which leads me to want to make these comments for the record.

I am in agreement with Mr. Jonas on this. Any time you compile a set of figures and ask Congress for the money, you are bound to base them on something. The committee is entitled to the information. Your request last year was that which the Bureau of the Budget let you submit to the Congress.

Mr. JONAS. I would like for this to be clear. I do not care to have any information disclosed on the record that would have any adverse effects on markets. I do not care if the information is furnished privately for the committee. I just want to have access to it. Do not put anything in the record that will have any adverse effects on markets.

Mr. WHITTEN. This committee should be supplied with any information or estimates on which this figure is based. We are entitled to it.

Mr. BEACH. They are estimates all the way through. We would be happy to give it to you right now.

Mr. MURPHY. At the risk of confusing this even more, I would like to have permission to make an effort to respond to the general question raised by Mr. Jonas as to the difference between what was anticipated last year when we testified here and what the situation appears to be now. I think that is a very reasonable kind of question. It is one we have been concerned with. It is covered by Mr. Godfrey's statement.

I would like to take this opportunity to recapitulate that summary if I might.

There is the \$478 million not appropriated by Congress in the budget request. This is made up of two parts, the reimbursement of realized net losses and the appropriations for Public Law 480. Each of those was cut, I do not remember the amount, but the two together were cut \$478 million. There was the item that would have relieved us from paying interest that this committee put in the appropriation bill and which was taken out on the floor of the House on the point of order. It was about \$140 million which meant we had \$618 million less funds than we otherwise would have had.

The next major item we come to is the difference as respects the cotton program. The difference between the situation that appeared in the budget submitted last time and the situation that appears now is \$543 million. That in turn comes from several parts. One

part is that the budget contemplated an acreage diversion program which would have decreased the cost of the program an estimated \$200 million. Instead of an acreage diversion program, we ended up with a domestic allotment program which would have saved something, but less than the diversion program.

An additional factor there was that the legislation was enacted so late, it was signed by the President on April 11, 1964, that there was not a reasonable opportunity for farmers to participate even in the domestic allotment program, so we got a very limited participation.

Another part of this relating to cotton has to do with the equalization payments on cotton for domestic consumption. My memory is not altogether clear as to the amounts, but I am reasonably sure that the legislation as finally enacted provided payments at a larger rate than was contemplated in the President's budget at the time the budget was submitted. That will account for a substantial part of the \$543 million.

The final part relating to the cotton program is the average yield per acre which, as Mr. Godfrey said earlier, was about 50 pounds greater than was anticipated at the time of last year's budget.

Moving on from cotton, the next item we come to is \$240 million in the feed grain program, which comes largely from the fact that the acreage diversion under the 1965 program is larger than was estimated in the budget, and that means that the advance payments will be larger than was estimated in the budget, and these advance payments will fall into fiscal year 1965, although they should result in reducing expenditures later on because if they get participation in this program, that does reduce expenditures later on.

One final item is referred to on page 3 of Mr. Godfrey's statement, that we started out at the beginning of fiscal year 1965, that is on July 1, 1964, with less money than we had expected to when the budget was submitted in the early part of 1964. When the budget was submitted we expected that we would have \$496 million available at the end of that fiscal year to start us on the current fiscal year. Instead of \$496 million, we had \$125 million, which is \$371 million less, so we had that much less to start with.

Now, these four items together total, according to my arithmetic, \$1,772 million.

I would like to say just one thing further about the amount we had available at the beginning of this fiscal year. We had as much as \$125 million only because we had postponed for the time being the payment of some expenses that normally we would have paid before the end of the preceding fiscal year. When the budget was submitted last year, we contemplated they would be paid in the normal course of events before the end of fiscal year 1964. As the end of the fiscal year approached, we did not have sufficient funds available to make those payments at that time, so we postponed them until after the 1st of July so that drew down the funds in fiscal year 1965 faster than otherwise would have been the case.

SALE OF WHEAT TO SOVIET UNION

Mr. MICHEL. Did the Department defer payments of any of that wheat sold to the Soviet Union?

Mr. MURPHY. It did not.

Mr. MICHEL. Were they all paid on time?

Mr. MURPHY. They were all paid on time.

Mr. MICHEL. None of them are outstanding?

Mr. MURPHY. The sales of course were made by private exporters, and it is my information, and I am sure it is right, no credit was given or extended and the payments were made on time to the private exporters.

We sold some wheat from Commodity Credit Corporation stocks to exporters who in turn sold it to the Russians, but we were paid by the exporters and paid cash and on time.

UNCERTAINTY OF ESTIMATES

Mr. MICHEL. I have one other question. Noting that you would show a working balance of \$947 million at the end of this fiscal year, do you need that much to play with?

Mr. GODFREY. We cannot ever tell precisely what we are going to need. It is impossible to make an accurate estimate.

For example, we did not know we would be back this early, but as Mr. Beach related a while ago, 1 day's activity since the 1st of January was in the neighborhood of \$70 million.

Mr. MICHEL. If you began the last fiscal year hoping to have around \$400 million, why do you think you need twice that amount to start the new fiscal year?

Mr. MURPHY. May I make a comment on that?

Part of our difficulty now, I think a large part of it, is due to the fact we have not requested, and the Congress has not provided, full reimbursement of these realized net losses as they occurred. Among other things, that leaves us with a larger outstanding balance of money owed to the Treasury on which we continued to pay interest year after year after year. So the larger the balance we have, and to the greater degree our realized net losses are restored, we can reduce that interest charge.

Mr. JONAS. Are you going to ask for that interest again this year in legislation?

Mr. MURPHY. We expect to, yes.

Mr. JONAS. If that goes through, you will not need \$150 million, will you?

Mr. MURPHY. If that goes through it should reduce expenditures in the first fiscal year when that first takes effect probably something in excess of \$150 million. It varies a little from year to year.

Mr. JONAS. You are going to ask it of the legislative committee?

Mr. MURPHY. It is our plan, Mr. Jonas, to put it before the legislative committee, and also put it before this committee again.

Mr. LANGEN. Mr. Chairman, if I may take a brief moment, and I do so without the benefit of having been exposed to the volume of inquiry this committee has performed so well. Probably a couple of these items might be repetition in this respect, but for purposes of clarification and my understanding, I hope they will serve the cause well.

REVALUATION OF COMMODITIES

I would like to go back, if I may, to a very pertinent question by my colleague, Mr. Natcher, relative to the figure here on page 1 which indicates there is still \$1.057 billion remaining from the inventory reevaluation of 1961.

Now, as I understood the response, it indicated that that reevaluation was to adjust the current values to the change in the market prices as well as the accumulated costs that might be associated with those commodities. Can I begin by asking what was the date of the market values that were used for purposes of the reevaluation?

Mr. BEACH. This reevaluation did not reflect any adjustment for market prices. This simply took the valuation of the inventories as shown on the books as of June 30, 1961, and reduced those values by the amount of accumulated carrying charges that had been added to the value of the inventory. That represented storage, transportation, and handling that had been paid on the inventories while Commodity Credit Corporation held them.

Subsequent to July 1, 1961, those costs are charged as a realized loss as they are incurred so from that date on the inventory values are stated on an acquisition cost basis. In no case is the market value considered.

Mr. LANGEN. In that case, I would think that Mr. Godfrey would want to correct his statement because he did refer to market values, and he did refer to the change in support prices, and it would become rather pertinent to the values in the future were that to be the case. It would seem to me to be a correction that the record ought to have.

Mr. BEACH. We will correct that.

UNCERTAINTY OF ESTIMATES

Mr. LANGEN. Now, then, secondly, and in connection with a couple of items about which I think Mr. Jonas raised some very pertinent questions. I can fully appreciate that we are considering an appropriation of \$1,700 million in addition to requests made only a few months ago. Your requests and estimates were in error at that time which has been admitted today by virtue of the need of the additional money?

Mr. BEACH. Sir, I would not say that this estimate admits error.

Mr. LANGEN. What assurance do we have that the estimates are any better today than they were a few months ago?

Mr. BEACH. I would not admit, first, the estimates were in error. They were based on assumptions that didn't transpire. Every estimate that is made that comes before this committee and the Congress on CCC operations is based on a set of assumptions as to what is going to happen with respect to crops that have not yet even been planted. This was the case with the 1965 budget estimate.

Mr. LANGEN. It seems to me I just heard you say that the figures you have there couldn't be realistically given to the committee for the rest of this fiscal year because they are based on assumptions.

Mr. BEACH. No, sir. What I said was, I couldn't add up here and give the figures verbally to Mr. Jonas, but I could give them to the committee as they are right now, or any other way, recognizing they

are based on assumptions as to what will happen during the remainder of this fiscal year.

Mr. LANGEN. You just said it again; they are based on assumptions, which I suppose leads to the same opportunity for a margin of error, one way or the other.

Mr. BEACH. Always.

Mr. LANGEN. Maybe you don't need all of it, or maybe more?

Mr. BEACH. That is always so—to a degree.

Mr. LANGEN. So there is that possibility?

Mr. BEACH. There is always an opportunity for wide variations in these estimates either way. Generally, they are reasonably accurate in total as long as the assumptions are good. Where we assumed legislation that didn't pass, our whole basis changes, obviously.

Mr. LANGEN. The point I am getting to is, What accounts for your estimate that there is a need of a balance of \$947 million at the end of this fiscal year to take care of any miscalculation, or anything you haven't been able to assume at this point might take place, whether in the movement of commodities, or other expenditures for which the CCC is liable?

Mr. BEACH. Partly that is true. The balance that is shown as of June 30, 1965, represents the portion of the presently unrecovered losses that we believe, based on these estimates, would not be used as of that particular date. As you say, these estimates are based on assumptions as to what we will receive in the way of sales, what we will pay out in the way of loans, and what we will buy under purchases, and all the other multitude of transactions of the CCC. There is always a chance of a large margin of error. It simply may be a difference in timing. For example, if a crop is 2 weeks late, it makes a tremendous difference in the outgo from and returns to CCC in a particular period of time. We have to estimate these requirements and their timing based on a monthly in-and-out analysis. And that is what this statement I showed Mr. Jonas does. From this we can give you any set of figures you would like to have as to what we think will happen between now and June 30. I couldn't give it to you offhand, without an adding machine here to add it up for the particular period he wished to cover.

Mr. LANGEN. May I suggest it would be beneficial to us to know what the result has been, or the final accounting has been at the end of each fiscal year for the past 3 or 4 years, so we might see what those balances are and have been, this way we can have some basis on which to make a comparison?

Mr. BEACH. We are interested in this more than you, perhaps, and keep these records showing how far off the projections have been in past years. We can give you a statement showing the estimates back as far as you would like to have them, as compared to what we were projecting, either in the budget or subsequent to the budget.

Mr. LANGEN. Can we get that together with the rest of the figures that have been requested today?

Mr. BEACH. Yes, sir.

Mr. LANGEN. I would like a copy of each of those requested.

Mr. BEACH. We will furnish them.

(The information is as follows:)

Estimated borrowing authority available as of June 30 compared with actual

[Millions of dollars]

1960 in 1960 budget	\$301
1960 in 1961 budget	1, 116
1960 actual	1, 640
1961 in 1961 budget	197
1961 in 1962 budget	880
1961 actual	498
1962 in 1962 budget	520
1962 in 1963 budget	352
1962 actual	608
1963 in 1963 budget	189
1963 in 1964 budget	123
1963 actual	47
1964 in 1964 budget	1, 418
1964 in 1965 budget	496
1964 actual	125
1965 in 1965 budget	931
1965 current estimate:	
Without supplemental	-795
With supplemental	947

FEED-GRAIN PROGRAM

Mr. LANGEN. Just one more inquiry: This is with reference to the feed-grain program, and the additional cost there. I make this inquiry for my own information. Has there been some change? I know there has in the wheat program relative to the price support level, and, secondly, the rate of diversion payments for the 1965 crop year.

Mr. GODFREY. Yes, sir. There has been. The price support loan rate for corn was reduced a nickel per bushel, and the price support payment was increased by that amount. This was an effort to encourage more participation and give a little more benefit to the co-operator.

Mr. LANGEN. Is it then not also true because of that change the diversion payments which are going to be at a higher rate will also have gone up some because of the change in the program in that respect?

Mr. GODFREY. No. The cost will not, the actual cost will not go up unless the participation—

Mr. LANGEN. Wait a minute, now. You said that the participation, or estimated participation. You have estimated that the payments for diversion during fiscal year 1965 are going to be higher. Now, then, if the rate of payment for diversion payments are at a higher rate, it will require a little more money in order to make that payment—right?

Mr. MURPHY. The rate of diversion payment will not be higher. It means the rate of diversion payment for the 1965 program is the same as for the 1964 program. The price support payment, as distinguished from the diversion payment rates, will be higher.

Mr. GODFREY. That is right.

Mr. LANGEN. Is that true for wheat, also?

Mr. MURPHY. I was thinking about feed grains. I will have to think a minute before I can remember about wheat.

Mr. GODFREY. We increased the value of the domestic and export certificates 5 cents per bushel and lowered loan rate by that amount. We also will issue certificates on only 80 percent of the normal production rather than 90 percent.

Mr. LANGEN. In that case it is logical to assume that the farm income relative to feed grains may well be down in comparison with the reduced prices.

Mr. GODFREY. No, sir. Our estimates reflect that total returns for feed grains will be slightly higher. Of course, farm income is determined by the total production of the commodity.

Mr. LANGEN. I appreciate that.

Mr. GODFREY. Our estimates reflect only a little change.

Mr. LANGEN. The per bushel income would be down, right?

Mr. GODFREY. No, sir; per bushel income for the cooperator will be about the same. For the noncooperator it will be down; yes, sir.

Mr. LANGEN. Isn't he going to have a lower price support?

Mr. GODFREY. Yes, but he gets an increased payment.

Mr. LANGEN. Where?

Mr. GODFREY. In the price support payment. You see, under the feed grain program you have a diversion payment plus a price-support payment. We took a nickel off the loan and added a nickel to the price-support payment.

Mr. LANGEN. Will you make any of these payments during fiscal 1965?

Mr. GODFREY. We pay half of the diversion payment only. The price-support payments all come in fiscal 1966.

Mr. BEACH. These changes are reflected in the current estimates that we are now projecting.

Mr. LANGEN. They are reflected. They were not referred to in here.

Mr. BEACH. No, sir; but they are reflected in our overall estimates.

Mr. WHITTEN. For the record, may I say all the questions that have been asked are pertinent and in line with what the committee should know. I think perhaps, there are two or three things I might point out for the record. One of them, any hesitancy on the part of Mr. Beach, who after all is the budget officer and not the policymaker of the Corporation, had reference to about 12 pages on which there are some several hundred items and his statement about being unable to total them right here is no reflection on his figuring ability. I have never known anyone in my experience that had more information at his fingertips. While that does not show, I think it should be pointed out.

There is another thing I think we should also point out here with reference to the interest charges. It has been and is the policy of the Government that if the Corporation has \$7.2 billion of commodities on hand today, your borrowing authority is charged each year with interest which goes to the Treasury. It decreases the borrowing authority of the Corporation, but it is the Federal Government that collects the interest from itself. I think that should be made clear, not that anybody misunderstands it.

The third thing is that this is a corporation, and the appropriation here is to provide funds for the operation of a corporation with many obligations and duties and responsibilities which are based upon governmental policy, upon existing statutes. Also its programs are in-

fluenced in a major way by the weather, the attitude of farmers, and world markets. It is a corporation that frequently has not had to buy much of the total production of a commodity. Because it announced it was going to purchase commodities at a certain price, and because it had ample capital to carry out its commitment, it had to buy but very little. You have a corporation with all these obligations with its total investment dependent each year upon the vagaries of weather, the farmers' attitude, world markets, plus the need to have sufficient funds on hand to move in on some of the commodities and say, "We are going to buy up the surplus." The minute you say so and prove it, frequently you do not have to use your money at all.

By the same token, the Corporation cannot spend money except for those things which are fixed by statute. The administrative expenses of the Corporation are limited by an act of the Congress. So, if we err in providing these funds on the low side, we could jeopardize the operation of the Corporation. If, on the other hand, the Congress should provide more funds than it might actually need for a given period, the funds cannot be used except within what the law requires.

So we do have our problems in trying to mark up this bill, but whether we give you more than you might actually expend between now and July 1, really the effect is whether we want to provide it in the regular bill or whether we want to go ahead with what you asked for here.

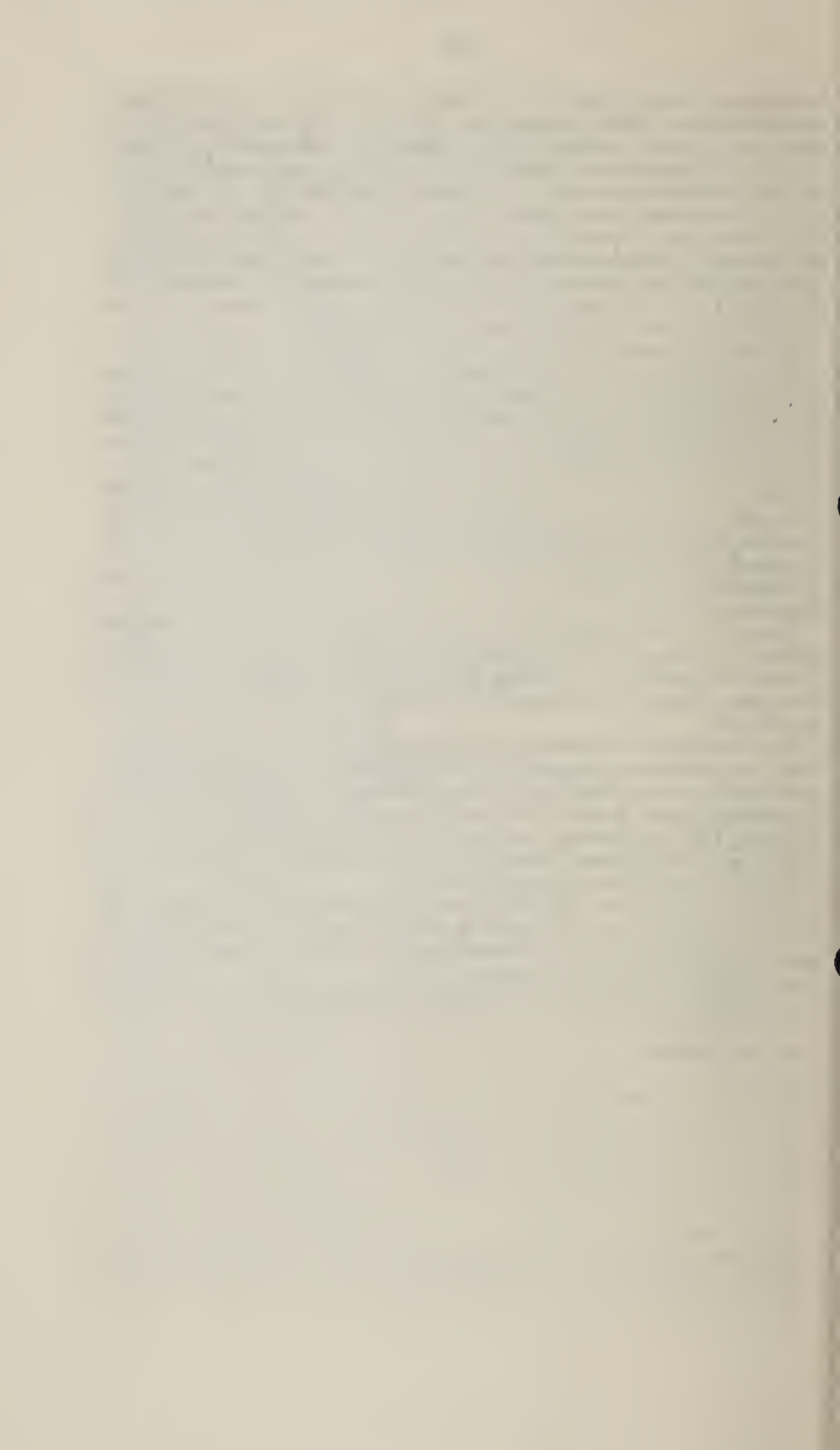
I mention these things because of my long years of dealing with this subject. Again, I do not know of a question that has been asked that is not pertinent and I trust you gentlemen of the Department will see that the full and complete answers are given to anything which has been raised.

Mr. MURPHY. We certainly will, Mr. Chairman. We will do our very best and very promptly. I would like to express my appreciation to the committee for its being willing to consider this on this expedited basis. I think the need is urgent to justify that. I do know at this early stage in the session of Congress you have many duties and obligations. That being true, we do appreciate your willingness to put this in a priority position.

Mr. WHITTEN. Mr. Murphy, you have been so kind in your offer that we are going to ask you to get this record reviewed tonight because we have to print it tomorrow night. We are going to call your hand on how cooperative you are.

Mr. MURPHY. Our people will go back down there and go to work.

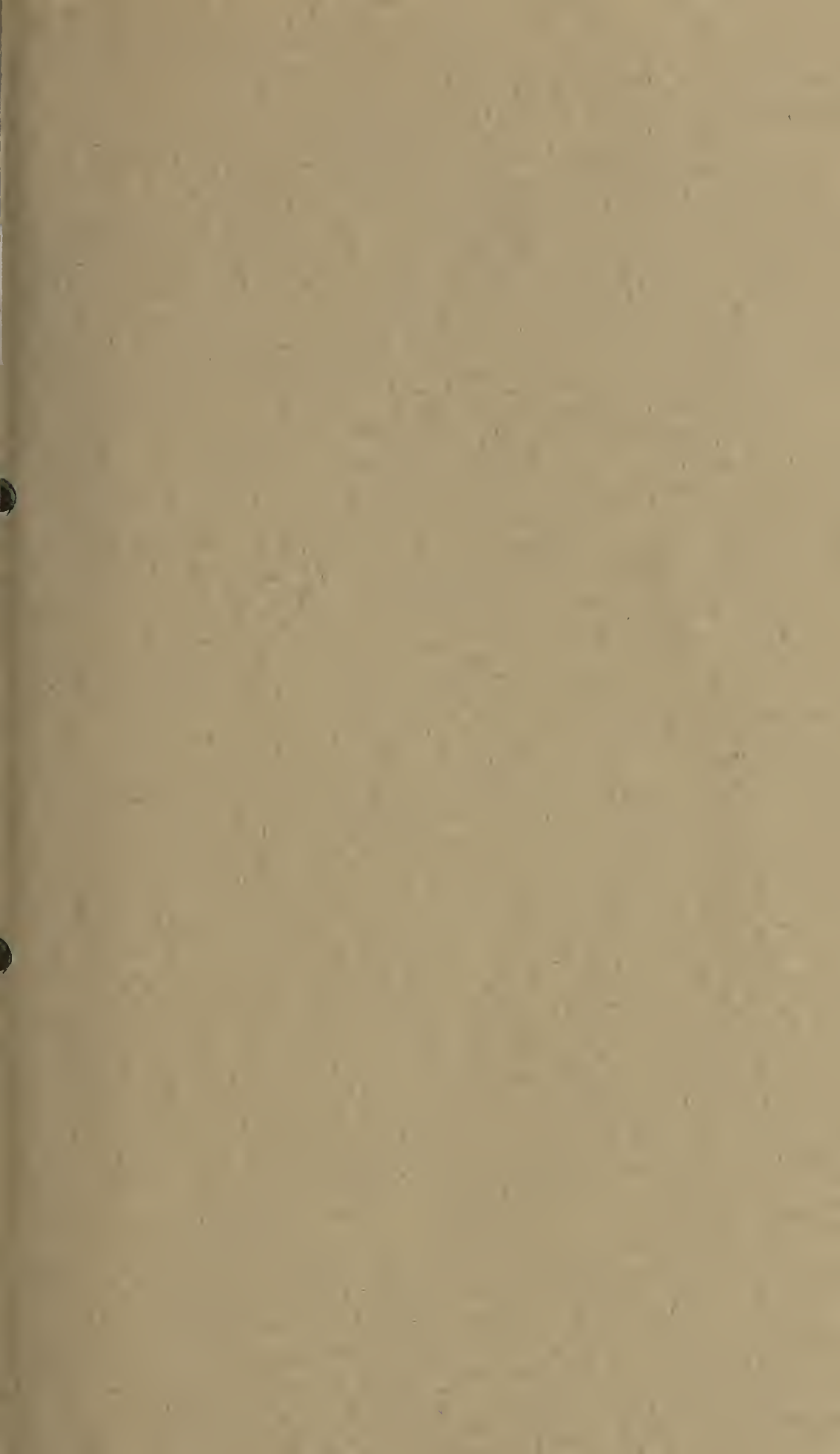
Mr. WHITTEN. Necessity dictates this. We cannot help it. Thank you, gentlemen.

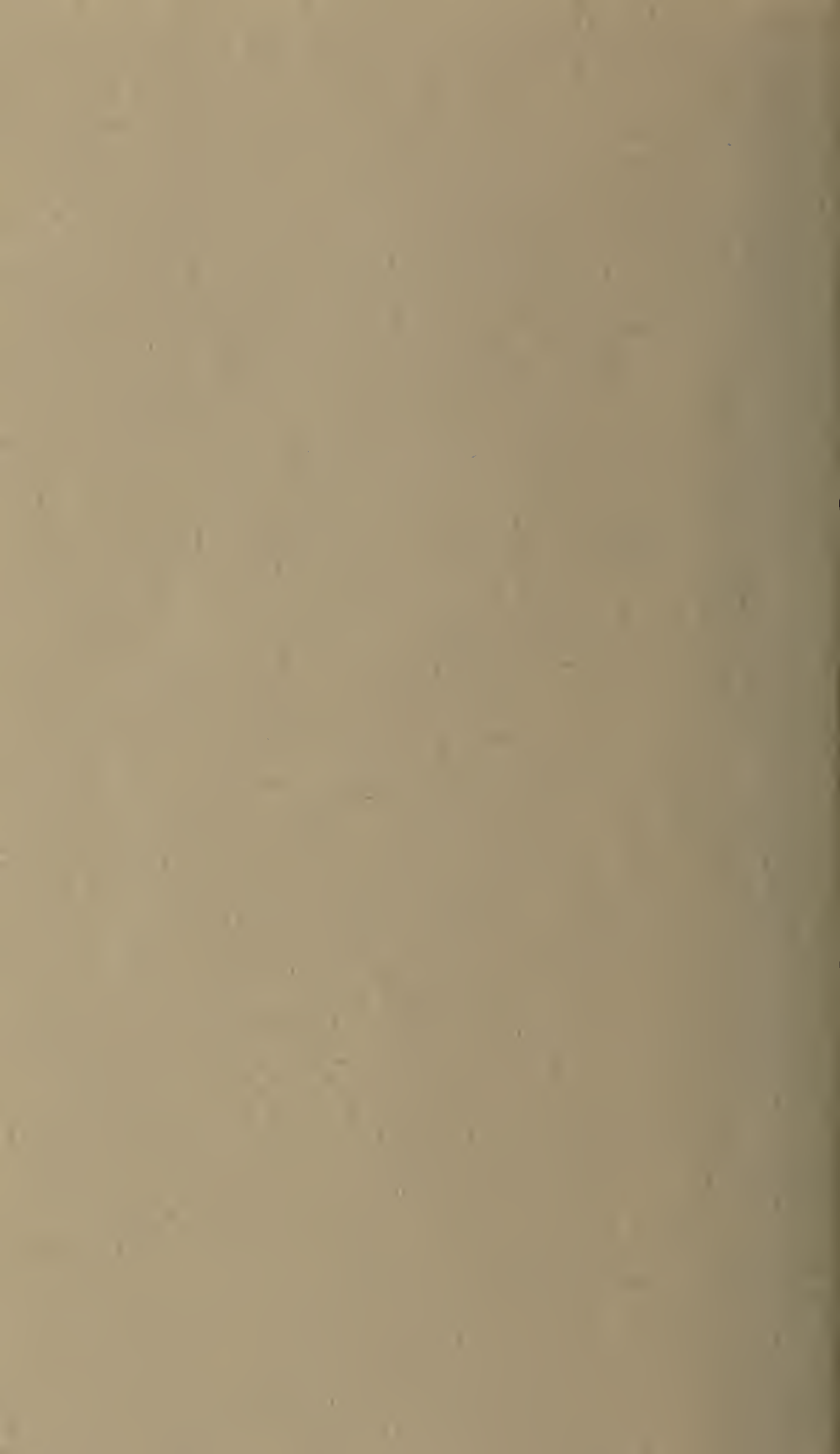


INDEX

Commodity Credit Corporation :	Page
Appropriations, 1965.....	33
Balance sheet.....	30
Borrowing authority, status of.....	17, 20, 25
Estimated authority available compared with actual.....	42
Obligations and receipts, 1964-65.....	34
Budget for 1966, effect of supplemental request on.....	28
Capital impairment, restoration of :	
Failure to restore, effect of.....	22
Net realized losses.....	22, 23, 25
Foreign assistance type programs, expenditures for.....	20
Price support program.....	24, 43
Investment in.....	14
Laws relating to.....	9
Public Law 480.....	23
Revaluation of stocks.....	14, 21, 40
Supplemental funds, need for.....	29, 33
Uncertainty of estimates.....	29, 38, 40, 41
Wheat exports.....	22, 23, 39
Expenditures, Department of Agriculture.....	28







**SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN
ACTIVITIES OF DEPARTMENT OF AGRICULTURE, 1965**

HEARINGS
BEFORE THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS
FIRST SESSION

ON

H.J. Res. 234

MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL
YEAR ENDING JUNE 30, 1965, FOR CERTAIN ACTIVITIES OF
THE DEPARTMENT OF AGRICULTURE, AND FOR OTHER
PURPOSES

Printed for the use of the Committee on Appropriations



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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1965

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SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF DEPARTMENT OF AGRICULTURE, 1965

MONDAY, JANUARY 25, 1965

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The committee met at 10 a.m., pursuant to call, in room 1223, Senate Office Building, Hon. Carl Hayden, chairman of the committee, presiding.

Present: Chairman Hayden, Senators Robertson, Holland, Byrd, McGee, Proxmire, Yarborough, Young, Mundt, and Allott.

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

STATEMENTS OF CHARLES S. MURPHY, UNDER SECRETARY OF AGRICULTURE; HORACE D. GODFREY, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE; ROBERT P. BEACH, DEPUTY ADMINISTRATOR, MANAGEMENT, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE; CHARLES L. GRANT, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE; AND C. E. ESKILDSEN, ASSOCIATE ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE

REIMBURSEMENT FOR NET REALIZED LOSSES

Chairman HAYDEN. The committee will be in order.

The President has transmitted a proposed supplemental appropriation request for the Department of Agriculture totaling \$1,742,209,000 in House Document 59. Mr. Charles S. Murphy, Under Secretary, and other officials of the Department, are here.

Since all of the proposed supplemental items pertain to the Department of Agriculture, I am asking Senator Holland, who is chairman of the regular subcommittee for the Department of Agriculture, to conduct the hearing, and to handle this supplemental request on the Senate floor and in the conference, should a conference be necessary. Mr. Holland.

Senator HOLLAND. Thank you, Mr. Chairman.

I request that House Document No. 59, proposing the supplemental appropriations for the Department of Agriculture, be made a part of the record at this point, together with the detailed justifications submitted by the Department of Agriculture in support of the proposed supplemental appropriations for fiscal 1965.

(The documents referred to follow :)

[H. Doc. 59, 89th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING
PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE FISCAL YEAR 1965 IN THE
AMOUNT OF \$1,742,209,000 FOR THE DEPARTMENT OF AGRICULTURE

THE WHITE HOUSE,
Washington, January 19, 1965.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture.

The details of these proposed appropriations, the necessity therefor, and the reasons for their submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 18, 1965.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture, as follows :

"DEPARTMENT OF AGRICULTURE

"COMMODITY CREDIT CORPORATION

"REIMBURSEMENT FOR NET REALIZED LOSSES

"For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,180,853,000.

"PUBLIC LAW 480

"For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$273,000,000; and (2) long-term supply contracts pursuant to title IV of said Act, \$233,400,000.

"INTERNATIONAL WHEAT AGREEMENT

"For an additional amount for expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$54,956,000, to remain available until expended."

These proposed supplemental appropriations are to provide urgently needed funds to carry out the mandatory price support and related programs of the Commodity Credit Corporation. The funds would reimburse the Corporation for price support and related losses realized through the fiscal year 1963, and for costs incurred through fiscal year 1965 under Public Law 480 and the International Wheat Agreement.

The urgent need for funds arises primarily because of lower than estimated sales of feed grains and wheat, and larger than estimated production of cotton and tobacco. In addition, funds appropriated to reimburse the Corporation for its costs and losses were less than requested in the 1965 budget.

The amounts requested herein will be included in the totals of the budget to be transmitted to the Congress this month.

I recommend that the foregoing proposed supplemental appropriations be transmitted to the Congress.

Respectfully yours,

KERMIT GORDON,
Director of the Bureau of the Budget.

COMMODITY CREDIT CORPORATION

Reimbursement for net realized losses

(H. Doc. 59)

Appropriation to date (for partial restoration of prior years' realized losses) -----	\$1, 574, 000, 000
Request (for 5½ months from Jan. 14, 1965) -----	1, 180, 853, 000

PROPOSED LANGUAGE

For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,180,853,000.

EXPLANATION OF LANGUAGE

The proposed appropriation language provides for an additional \$1,180,853,000 to enable the Commodity Credit Corporation to carry out its mandatory price-support and related activities.

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

The borrowing authority of the Commodity Credit Corporation by law is used to finance price-support and related programs. Costs in excess of appropriations for Public Law 480, International Wheat Agreement, and other special export programs are also financed by the borrowing authority of the Corporation. Current projections of price-support activities clearly show that additional funds are needed to enable the Corporation to meet its mandatory obligations in fiscal year 1965.

Based on the use of borrowing authority as projected on the November crop production reports and related supply and utilization data on the 1964 crops, it is estimated that the available borrowing authority will be exhausted shortly.

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
Price support, export, supply and related programs-----	\$1, 574, 000, 000	+\$1, 180, 853, 000	\$2, 754, 853, 000

This supplemental estimate is required to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. At the time the 1965 budget was prepared, assuming enactment of appropriations requested, it appeared that the Corporation's borrowing authority would be sufficient to carry out authorized programs. Since then, a combination of circumstances which could not be anticipated, has adversely affected the timing of the use of borrowing authority resulting in heavier demands on the borrowing authority. Current projections indicate that the available borrowing authority will be exhausted shortly.

The significant changes from the 1965 budget are:

1. Congressional action on the 1965 appropriation requests resulted in about \$600 million less funds being made available to the Corporation than estimated in the budget for reimbursement for net realized losses, Public Law 480, and the International Wheat Agreement.

2. The 1965 budget assumed that cotton program costs would decrease \$200 million based on new legislation including an acreage diversion program for 1964 crop. New cotton legislation was enacted late in the season and did not include an acreage diversion program. As a result, the participation in the new domestic allotment program was lower than expected. The increased funds are needed primarily to meet the added cost of equalization and price-support payments.

3. An increase in expenditures for feed grains. Most of the increase is for advance payments due to an increase in estimated acreage to be diverted (from 25 to 35 million acres) under the 1965 program. The balance of the increase reflects reduced sales from CCC stocks since higher levels of corn stocks held by other than CCC are available to meet anticipated requirements.

4. In 1964, smaller export sales of wheat, smaller sales of feed grains and increased number of tobacco loans reduced the June 30, 1964, balance of available borrowing authority which had been planned for use in 1965.

It is proposed that a supplemental appropriation be provided in the amount of \$1,181 million consisting of unrecovered 1962 and 1963 realized losses. Approval of the proposed supplemental will make it possible to continue essential Commodity Credit Corporation operations consistent with current estimates and will allow for a reasonable margin for contingencies. Pending such approval, the Department is taking steps to reduce the rate of expenditures to the minimum to conserve the use of borrowing authority.

Following is a summary of the estimated status of the Corporation's borrowing authority, June 30, 1964, through June 30, 1965, by months.

Estimated status of \$14,500,000,000 borrowing authority—June 30, 1964, through June 30, 1965

[Millions of dollars]

Months	Without proposed supplemental appropriation			Balance available or deficit (—)	Proposed supplemental appropriations		Balance available with enactment of proposed supplemental appropriations
	Borrowing authority in use				Commodity Credit Corporation	Public Law 480 and International Wheat Agreement	
	Regular activities	Special activities	Total				
June 30, 1964 (actual) -----	13, 443	932	14, 375	125	-----	-----	125
FISCAL YEAR 1965							
July 1964 (actual) -----	12, 393	237	12, 630	1, 870	-----	-----	1, 870
August (actual) -----	12, 943	328	13, 271	1, 229	-----	-----	1, 229
September (actual) -----	13, 398	60	13, 458	1, 042	-----	-----	1, 042
October (actual) -----	13, 870	184	14, 054	446	-----	-----	446
November (actual) -----	14, 287	—105	14, 182	318	-----	-----	318
December (preliminary) -----	14, 629	—448	14, 181	319	-----	-----	319
January 1965 -----	14, 996	—282	14, 714	—214	-----	-----	—214
February -----	14, 895	—104	14, 791	—291	1, 181	561	1, 451
March -----	15, 037	54	15, 091	—591	1, 181	561	1, 151
April -----	14, 796	356	15, 152	—652	1, 181	561	1, 090
May -----	14, 700	533	15, 233	—733	1, 181	561	1, 009
June -----	14, 619	676	15, 295	—795	1, 181	561	947

Public Law 480

(H. Doc. 59)

Appropriation to date-----	\$1, 867, 453, 000
Obligations to Dec. 31, 1964-----	1, 867, 453, 000
Expenditures to Dec. 31, 1964-----	1, 867, 453, 000
Request (for 5½ months from Jan. 14, 1965)-----	503, 400, 000

PROPOSED LANGUAGE

For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as

amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said act, \$273,000,000; and (2) long-term supply contracts pursuant to title IV of said act, \$233,400,000.

EXPLANATION OF LANGUAGE

The proposed appropriation language would provide funds to reimburse the Commodity Credit Corporation for 1965 costs in carrying out these programs which are estimated to be in excess of amounts provided in the 1965 appropriation as well as for unrecovered prior years' costs.

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

The 1965 budget reflected financing of title I 1965 costs on a pay-as-you-go basis, but the appropriation was \$281 million below the estimate. Based on the latest export estimates, 1965 requirements are at about the same level reflected in the budget. It is estimated that the borrowing authority of the Commodity Credit Corporation, which by law is used to finance costs of Public Law 480 programs in excess of appropriations for such programs, will not be sufficient to carry out its mandatory price support and related operations.

The title IV request of \$233,400,000 proposes full reimbursement to the Corporation for total amounts estimated to be due as of June 30, 1965, in order to relieve the drain on the Corporation's borrowing authority. This represents a change from previous practice under which appropriations were requested generally to cover only the difference between CCC costs and the agreement or export value to be paid by foreign governments less anticipated repayments during such fiscal year.

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
Sale of surplus agricultural commodities for foreign currencies (title I).....	\$1,612,000,000	+\$273,000,000	\$1,885,000,000
Commodities disposed of for emergency famine relief to friendly peoples (title II).....	220,453,000		220,453,000
Long-term supply contracts (title IV).....	35,000,000	+233,400,000	268,400,000
Total.....	1,867,453,000	+506,400,000	2,373,853,000

This supplemental estimate is required to place financing of costs under title I on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. The 1965 appropriation was \$281 million less than the budget request. Current estimates indicate requirements for 1965 are at about the same level as proposed in the budget. Congressional action on the 1962, 1963, and 1964 appropriations placed financing of this program on a current or "pay-as-you-go" basis, in order to relieve the Corporation of the burden of financing it from its borrowing authority. This has the effect of maintaining the Corporation's capacity to deal effectively with its major responsibility of mandatory domestic price support and related operations.

The title IV request of \$233,400,000 proposes full reimbursement to the Corporation for total amounts estimated to be due as of June 30, 1965, in order to relieve the drain on the Corporation's borrowing authority. This represents a change from previous practice under which appropriations were requested generally to cover only the difference between total Commodity Credit Corporation costs and the agreement or export value to be paid by the foreign governments less anticipated repayments during the particular fiscal year. However, as this program has progressively increased, it is estimated that \$288.3 million of unrecovered costs will be due as of June 30, 1965. The Corporation bears this heavy charge against its borrowing authority which will not be collected for many years. Therefore, it is proposed to include the \$288.3 million less \$54.9 million of unused appropriations, or \$233.4 million in this supplemental appropriation request. This will relieve the borrowing authority for use in its mandatory price support and related operations. The foreign governments or private entities would continue to make repayments as stated in the agreements. As repayments are actu-

ally received each year, they will be applied against current costs. Therefore, future appropriations will cover estimated gross costs less anticipated repayments during the year.

Based on the use of borrowing authority as projected on November crop production reports and related supply and utilization data on the 1964 crops, it is estimated that the available borrowing authority will be exhausted shortly.

PUBLIC LAW 480

Program and financing

[In thousands of dollars]

	Presently available, 1965	Revised estimate, 1965	Increase
Program by activities:			
1. Sale of surplus agricultural commodities for foreign currencies (title I)-----	1,612,000	1,885,000	273,000
2. Commodities disposed of for emergency famine relief to friendly peoples (title II)-----	220,453	220,453	-----
3. Long-term supply contracts (title IV)-----	35,000	268,400	233,400
10 Total program costs, funded—obligations (object class 41)-----	1,867,453	2,373,853	506,400
Financing:			
40 New obligational authority (appropriation)-----	1,867,453	2,373,853	506,400
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)-----	1,867,453	2,373,853	506,400
90 Expenditures-----	1,867,453	2,373,853	506,400

International Wheat Agreement

(H. Doc. 59)

Appropriation to date-----	\$31,838,000
Obligations to Dec. 31, 1964-----	31,838,000
Expenditures to Dec. 31, 1964-----	31,838,000
Request (for 5½ months from Jan. 14, 1965)-----	54,956,000

PROPOSED LANGUAGE

For an additional amount for expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$54,956,000, to remain available until expended.

EXPLANATION OF LANGUAGE

The proposed appropriation language would provide an additional \$54,956,000 during the fiscal year 1965 for unrecovered 1964 costs, \$25,179,472 and estimated 1965 expenses, \$29,776,528 under the International Wheat Agreement. The funds are required to reimburse the Commodity Credit Corporation for its costs in carrying out this program in excess of the amounts provided in the 1965 appropriation.

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

The increase is required because the new wheat legislation resulted in prices which indicate the need for export payments for which no appropriation was requested. Also, the 1965 appropriation contemplated shipments in 1964 of 160 million bushels. However, actual shipments in 1964 amounted to about 220 million bushels, thus increasing unrecovered costs by over \$25 million. The 1965 budget provided for unrecovered 1964 costs and only administrative expenses in 1965. It had been assumed that the domestic market price of wheat would fall below the competitive world price in fiscal year 1965 and that no export payment would be required.

Justification for supplemental estimate, fiscal year 1965

Project	Appropriation to date, 1965	Supplemental estimate, 1965	Revised total, 1965
International Wheat Agreement.....	\$31,838,000	\$54,956,000	\$86,794,000

This supplemental estimate is required to place financing of costs under the International Wheat Agreement on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. Congressional action on 1962, 1963, and 1964 appropriations placed financing of the International Wheat Agreement on a current or "pay-as-you-go" basis in order to relieve the Corporation of the burden of financing these programs from its borrowing authority. This has the effect of maintaining the Corporation's capacity to deal effectively with its major responsibility of domestic price support.

The increase of \$54,956,000 is required because:

(1) The new wheat legislation has resulted in wheat prices which indicate the need for export payments of about \$29.8 million (110 million bushels at \$0.26 per bushel, plus operating costs and interest);

(2) Unrecovered costs of fiscal year 1964 shipments are about \$25.2 million more than provided for in the 1965 appropriation, resulting from actual 1964 shipments of 220 million bushels, or 60 million bushels more than the 160 million bushels anticipated.

The 1965 budget provided for estimated unrecovered 1964 costs and only administrative expenses in 1965. It had been assumed that the domestic market price of wheat would fall below the competitive world price in fiscal year 1965 and that no export payments would be required.

Current projections of the use of borrowing authority based on November crop production reports and related supply and utilization data on the 1964 crops, show that the Corporation's available borrowing authority will be exhausted shortly.

INTERNATIONAL WHEAT AGREEMENT

Program and financing

[In thousands of dollars]

	Presently available, 1965	Revised estimate, 1965	Increase
Programs by activities:			
10 International Wheat Agreement (costs funded—obligations) (object class 41).....	31,838	86,794	54,956
Financing:			
40 New obligational authority (appropriation).....	31,838	86,794	54,956
Relation of obligations to expenditures:			
70 Total obligations (affecting expenditures).....	31,838	86,794	54,956
90 Expenditures.....	31,838	86,794	54,956

HOUSE DOCUMENT 59 APPROPRIATION ITEMS

Senator HOLLAND. There are four appropriation items in House Document 59, as follows:

First, the largest amount proposed is \$1,180,853,000 to reimburse the Commodity Credit Corporation for realized losses resulting from mandatory price support and related program operations.

The regular Appropriation Act for 1965 provided \$1,574 million, instead of the \$1,724 million then requested to partially reimburse the CCC for losses in fiscal 1963, amounting to a total of \$2,654,853,000. The proposed supplemental requests an appropriation for the balance of unreimbursed losses for 1963 of \$1,080,853,000, together

with \$100 million of unreimbursed balance for realized net losses for fiscal 1962.

The next two items deal with appropriations for expenses under Public Law 480 amounting to \$506,400,000 in connection with the operation of Public Law 480. The first item proposed is for an additional amount of \$273 million for sale of surplus agricultural commodities for foreign currencies under title I of the act, and the second item proposes an additional appropriation of \$233,400,000 for long-term supply contracts pursuant to title IV of the act.

The supplemental estimate for the International Wheat Agreement is \$54,956,000. The regular agriculture appropriation bill carried \$31,838,000 which, together with the supplemental estimate, would make a revised total available for 1965 of \$86,794,000.

Unless there are further questions, you may proceed with your statement, Mr. Godfrey, or perhaps Under Secretary Murphy wants to lead off.

STATEMENT OF UNDER SECRETARY MURPHY

Mr. MURPHY. Well, thank you, Mr. Chairman. I would only like to say that we are grateful to the committee for arranging to hear us this morning in support of this request for supplemental appropriations. We know it is early in the session. The need that we have for this appropriation is urgent and immediate, so we are grateful to you for arranging to hear us now, and we do hope that action can be taken promptly.

Mr. Godfrey is here with a prepared statement, and he is the Administrator of the Agricultural Stabilization and Conservation Service, and the Executive Vice President of the Commodity Credit Corporation. If he might present his statement at this time, we would appreciate it.

Senator HOLLAND. All right, Mr. Godfrey, we will be glad to hear you.

STATEMENT OF AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE ADMINISTRATOR GODFREY

Mr. GODFREY. Mr. Chairman and gentlemen, I would like to discuss the need for the three supplemental 1965 appropriations to finance the operations of CCC, first the reimbursement for net realized losses, \$1,181 million: Public Law 480, \$506 million; and the International Wheat Agreement, \$55 million, making a total of \$1,742 million.

The estimate of \$1,181 million will restore all of the corporation's losses through fiscal year 1963 except for the \$1,057 million remaining from the inventory revaluation in 1961.

UNREIMBURSED CCC LOSSES

Senator YOUNG. Could I ask a question at this point?

How much losses of the Commodity Credit Corporation won't be restored by this appropriation?

Mr. GODFREY. There will be \$1,057 million remaining from the revaluation of inventories of 1961, plus the losses that have occurred for 1964 and 1965.

REIMBURSEMENT FOR PRIOR YEARS' LOSSES

Senator YOUNG. Are there any prior losses that will not be reimbursed?

Mr. GODFREY. The total of 1964 is \$3,226,769,976, and in 1965, through November 30, the total is \$1,654,878,722.

Senator YOUNG. What I am trying to get at is this: What is the amount that the Commodity Credit Corporation will not be reimbursed for; supposing we grant your request now?

Mr. BEACH. The losses for fiscal 1964 would be the basis for the 1966 budget estimates. The losses for the 1965 fiscal year would be the basis for the 1967 budget estimate. The losses that are not reimbursed by this supplemental, which would be what we might call due at this time, would be the \$1,057 million of revaluation loss that occurred in 1961, but the total, to get at what you are saying, even though it is all not due yet to be reimbursed, would be in the neighborhood of \$5.9 billion through November 30, 1964.

Senator YOUNG. This would be all of the outstanding losses from the start of the Commodity Credit Corporation operations?

Mr. BEACH. That have not actually been reimbursed to the Corporation, after this supplemental.

Senator YOUNG. All right.

Senator HOLLAND. If I understand it rightly, you are asking to be completely reimbursed for all years prior to 1964 except for the revaluation of 1961.

Mr. GODFREY. That is right.

Senator HOLLAND. Did you have a revaluation of 1962?

INVENTORY REVALUATION OF 1961

Mr. GODFREY. No, sir. The revaluation at the end of the fiscal year 1961 has been taken into account, leaving out the charges that had accrued on the commodities since we had acquired them, such as storage, transportation, and so forth.

Senator HOLLAND. I understand what the revaluation of 1961 was, but is there a similar revaluation for 1962?

Mr. GODFREY. Since that time we have been keeping our books on that basis, counting the charges as a loss when they occur.

Senator HOLLAND. In other words, your revaluations for 1962 and 1963 are included in the reimbursement for net realized losses which you are claiming in this bill, the total of \$1,181 million.

Mr. GODFREY. That is right. They are no longer revaluations but charging the items as losses as they occur.

Senator HOLLAND. Why have you not brought forward the revaluation on 1961, in the amount which you mentioned, of \$1,057 million?

Mr. GODFREY. This has been administration policy, Senator, as to what they would ask for.

PUBLIC LAW 480 LOSSES

Senator ROBERTSON. May I ask him a question?

The letter to the President from the Director of the Budget asking that you be reimbursed for losses under the Public Law 480 law for 1965 in the sum of \$1,742 million, that is in excess of other losses. What were your total losses for that fiscal year under this program?

Mr. GODFREY. The total losses for 1963, you mean?

Senator ROBERTSON. No; it is not 1963. It is fiscal 1965. It seems that you operate 1 or 2 years behind when your losses are, but he says in his letter, "During the fiscal year of 1965." That is the present year. He wants you to be reimbursed. I wanted to know when these losses were sustained, and what the total of the losses were.

Mr. MURPHY. Might I undertake to explain that, subject to correction from my colleagues if I should not explain it correctly?

STATUS OF PUBLIC LAW 480 APPROPRIATIONS

In the case of the appropriations for Public Law 480, Senator Robertson, for the most part the appropriations are made in advance of expenditure. To the extent the appropriations made in advance are not sufficient to carry on the operations under Public Law 480, we are authorized to use funds of the Commodity Credit Corporation which are subsequently reimbursed by later appropriations.

It is my understanding that with respect to fiscal 1965, the funds appropriated for Public Law 480, in advance, in the regular appropriation bill last year, were not sufficient to meet what is now estimated to be the expenditures for all of this fiscal year, and this is now a request for sufficient amount of money to complete the operations under Public Law 480 for this fiscal year.

ESTIMATES

Senator ROBERTSON. Well, now, right there, your request is to supplement the Department of Agriculture by \$1,742,209,000. On January 22 last, I made a statement on the floor of the Senate in commenting on your budget at that time in which I said that the budget in my opinion underestimated the costs of the price-support program by \$1 billion. Now, we will get today a budget message which will ask for supplemental appropriations in excess of \$6 billion, and here we have a supplemental of \$1,700 million. Now, I would like to know several things.

Whose fault was it that the costs of CCC were underestimated last January by \$1,750 million? That isn't any small margin of error.

Second, how much of what we are to appropriate today goes for our own price supports and how much goes to the sale at less than cost of surplus farm commodities?

USE OF FOREIGN CURRENCIES

Third, what are we losing each year on the sale of farm commodities for soft currencies, because when we come to appraise what we are doing for those who are hungry and ill clad and ill fed and ill housed all over the world, this adds up to some free food?

Then I want to know what becomes of these soft currencies and why can't we use what soft currencies we have instead of keeping on sending dollars abroad to come back as a demand against our almost vanishing surplus of gold?

(The information referred to follows:)

BORROWING AUTHORITY, FISCAL YEAR 1965

CCC will use its borrowing authority to a greater extent than estimated in the 1965 budget due to:

1. Congress appropriated less funds than were requested in the 1965 (Millions) budget----- +\$478

	Budget as amended	Appro- priation	Change
Commodity Credit Corporation re- imbursement for net realized losses_	\$1, 724	\$1, 574	+\$150
Foreign assistance programs: Public Law 480:			
Title I-----	1, 893	1, 612	+281
Title IV-----	55	35	+20
Bartered materials-----	120	93	+27

2. Interest-free borrowings as proposed in appropriation language was
stricken in the House on a point of order----- +140
3. Reduction in carryover balance of 1964 borrowing authority esti-
mated to be available in 1965----- +371
- (a) Lower CCC sales of wheat primarily resulting from
 Russian wheat sale not reaching anticipated
 level----- +283
- (b) Smaller sales of feed grains due to lower domestic
 utilization and increased production----- +225
- (c) Increased tobacco loan activity due to record yield
 and decreased utilization from smoking-health
 controversy----- +207
- (d) Lower shipments under Public Law 480 due to use of
 time drafts to conserve borrowing authority and
 title IV programing (and shipments) not reach-
 ing expectations----- -400
- (e) All other----- +56
4. Increased expenditures in 1965 primarily for acreage diversion under
the feed grain programs and cotton program----- +753
- (a) Increased advance feed grain payments due to in-
 crease in estimated acreage diverted under the
 1965 program and reduced CCC sales since higher
 levels of corn stocks held by other than CCC are
 available to meet anticipated requirements----- +240
- (b) The lateness of the cotton legislation and the elimi-
 nation of the diversion feature assumed in the
 Budget resulted in anticipated savings not being
 realized. (Increase is primarily equalization and
 price support payments)----- +543
- (c) All other----- -30

Amount of 1965 supplemental estimate----- +1, 742

Of the total request of \$1,742 million, \$1,181 million represents realized loss in the fiscal years 1962 and 1963 on price support and related operations. A major part of this loss represented loss on sales, donations and carrying costs related to commodities acquired under price-support operations. Also included were export payments and acreage diversion payments on feed grains and wheat. Interest costs and operating expenses are also included.

Net costs: Public Law 480, sales of surplus agricultural commodities for foreign currencies, title I enacted July 10, 1954

Fiscal year:	Amount (in millions)
1955-----	\$64. 9
1956-----	555. 1
1957-----	1, 338. 8
1958-----	1, 058. 5
1959-----	979. 5
1960-----	1, 058. 0
1961-----	1, 355. 7
1962-----	1, 404. 8
1963-----	1, 525. 5
1964-----	1, 636. 2
Total through 1964 (actual)-----	10, 977. 0
1965 (estimate)-----	1, 430. 0
Total-----	12, 407. 0

(The other material requested is on p. 68.)

Senator ROBERTSON. I have to start hearings next Tuesday on the gold situation. They want to take the 25 percent backing off of the currency that is in the Federal Reserve bank. We will leave it on deposit but they say that we have to have \$4 or \$5 billion more of free gold right now because of the dollar demand.

Now, there are some of the issues that are presented right now to this committee and I think that we ought to have a full record on that subject.

QUESTIONS ON THE PROGRAM

Mr. MURPHY. Senator Robertson, I think the questions that you raise certainly are relevant and appropriate. A good many of them, and the ones that relate principally to the central issue here, are covered by Mr. Godfrey's prepared statement. If he might complete that, I think that that will answer a good many of the questions.

There are other questions which you raise which I think we can answer now, by way of supplementing Mr. Godfrey's statement. I must say in all candor, I think that there are some questions that you raise which are beyond my competence to answer.

Senator ROBERTSON. You are the most competent we have and we have known you for a long time. If it is beyond yours, it is beyond ours, too.

GOLD RESERVES

Mr. MURPHY. When it comes to the matter of having gold reserves, that is a field that I am not familiar with.

Senator ROBERTSON. If the prepared statement does not adequately answer all of the questions that I have just presented, will you see that it is supplemented for the record?

Mr. MURPHY. We will be glad to, Senator.

Senator ROBERTSON. Then I won't bother you any more.

Senator HOLLAND. Let me say that I thoroughly agree that each of the questions raised by Senator Robertson is a pertinent one and there should be some answer, except as to the question on gold reserves, which I think his committee should go into and handle.

SEPARATION OF ITEMS

But what I should like for us to do would be to keep the items separate in this statement and I hope Mr. Godfrey will do that. Then when we conclude, with each item, we can go into that just as thoroughly as any member of the committee may desire. The first item is, of course, the reimbursement of the net realized losses of the CCC growing out of direct CCC operations. The second relates to Public Law 480 and the third deals with the International Wheat Agreement.

So I would hope now, since the first item is involved and complicated enough by itself, we would stick for a little while to the net realized losses of the CCC out of domestic operations.

Mr. MURPHY. We will be glad to proceed in that way, Senator.

FOOD PURCHASES WITH SOFT CURRENCIES

Senator ROBERTSON. I have just one other question that I would like to ask, Mr. Murphy.

Do we have an agreement with all of the countries, or some of the countries buying food with soft currencies below our support price, that we will not use those currencies? I would like to have that answered because if we can use them, I can find a good many ways where they can save us dollars. If we have an agreement that we won't use them, that is something else.

Mr. MURPHY. Would you like us to get into that at this time? This is a complicated question and the answer is a lengthy and complicated answer.

(The information referred to appears on p. 68.)

Senator HOLLAND. At the appropriate time when we discuss Public Law 480, I think that would be a good question and it should be gone into but right now, if we may stick to the question of the net realized losses of CCC under its domestic operations, which is the largest part of this proposed supplemental request, I think that we will find a simplified record. We will stick first to the domestic part of CCC, next we will go to Public Law 480, and then we will go to the International Wheat Agreement. Each of them is complicated enough by itself.

All right, Mr. Godfrey.

PENDING ESTIMATE FOR PUBLIC LAW 480

Mr. GODFREY. Well, continuing, the estimate of \$506 million covers the estimated costs of titles I and IV of Public Law 480 through the current fiscal year in excess of available appropriations.

APPROPRIATIONS VERSUS BUDGET ESTIMATES

Senator HOLLAND. Just a moment. You say Congress has appropriated less than the full amount of Commodity Credit Corporation losses as authorized by law. It is also a fact that the Department has never asked for the full amount of the accrued losses in its annual budget, in any year, in recent years. You didn't do it in your showing last year for the fiscal 1965 appropriation; isn't that correct?

Mr. GODFREY. We have not asked for the loss resulting from the revaluation of 1961.

Senator HOLLAND. You didn't ask for the full realized losses for either 1963 and 1964. That is correct; isn't it?

Mr. GODFREY. 1964 isn't due yet. It will come up in the 1966 budget today. But for 1963 we did ask for what we estimated would be the total need.

BUDGET ESTIMATES UNDER FULL LOSSES

Senator HOLLAND. That isn't my recollection. My recollection is that you asked for a total of \$1,724 million-plus, and that the Congress supplied you \$1,574 million, but at that time my recollection is that you stated that the total reimbursement of CCC for losses in fiscal 1963 was about \$2,654 million. Is that correct or not?

Mr. GODFREY. We could have asked for \$930 million more.

Senator HOLLAND. That is the point I am making. The Department and the Budget Bureau in each recent year haven't faced the problem fully, but have, instead, asked for a part of the realized losses, stating that their estimate of the full realized losses was a sizable, larger amount, some \$900 million more last year. I think, therefore, that the Congress was entirely within its rightful jurisdiction in saying that since there was so much difference of opinion already within the Department as to how much it needed, and as to how much it estimated would be the full loss, Congress reduced somewhat what you requested as needed at that time.

The point I am making is that there has never been, since I have served as chairman of this subcommittee, any request for the full realized losses in the annual budget request. Am I right or wrong?

Mr. GODFREY. You are right, essentially, sir.

Senator HOLLAND. I wanted that to be clear in the record.

ADMINISTRATION BUDGET POLICY

Senator McGEE. Could I ask a question there?

Was there in the Department disagreement on what the losses would be, or was the disagreement over whether to ask for all of them or how much to ask for?

Mr. GODFREY. The losses were established, but it was an administration policy as to what would be asked for.

Senator McGEE. There was no disagreement over what the losses would be?

Mr. GODFREY. No, sir.

Senator HOLLAND. Of course, there were disagreements as to the revaluation procedure that year. The revaluations since were not as great as it was for the 1 year which you haven't yet claimed (namely, fiscal 1961) which I understand now is still unasked for in the amount of \$1,057 million. This indicates that there have been some amounts of losses carried forward each year in a somewhat indeterminate stage. Certainly the balance for the one in 1961 has never been asked for as a reimbursement to CCC. You are saying now, in your statement, that you are not asking for it at this time; isn't that correct?

Mr. GODFREY. That is correct.

Senator HOLLAND. The point I am getting at is that there are so many complications. I am not trying to fix any blame, I am just trying to show that Congress has some right to have some flexibility

in its judgment just as the Department has shown flexibility in its judgment, and I think that it had a right to do that. I don't say it was not frank to the Congress, because as I understood it, last year in asking for the amount which you asked for, which I have already stated was \$1,724 million, you stated that that was \$930 million less than the entire amount which at that time you thought would reimburse the Corporation.

Now, is that right or wrong?

Mr. BEACH. That statement is correct.

POLICY ON APPROPRIATIONS TO COVER LOSSES

Senator HOLLAND. That is the point I am trying to make. I am not throwing any bricks at the Department, and I do not want the Department throwing any bricks at the Congress, because it is very clear as we were considering these requests that we were not attempting a full reimbursement.

I have had to carry the burden of these requests on the floor and I have stated that very frankly, and I think that the Department has to be equally frank. I do commend the Department for your present statement in that you make it very clear that you are carrying over an unreimbursed large amount, even as far back as 1961 in the total of \$1,057 million.

I am completely in sympathy with Senator Robertson and other Members of the Senate who feel that these questions of policy as decided by the Department are very arguable questions, as to what should be the proper policy. We may in this committee find it difficult to agree with the Department on the policy which it now advances. But at least I want the Department to always be frank with this committee and state what is the policy and what it is you are holding back in that every year you fail to ask for full reimbursement.

Let us not leave that in question, because that is a fact, and because the Congress has sometimes felt that it is better to wait until the picture was clearer before attempting to make full reimbursement.

DEFICIENCIES IN ESTIMATES AND AMOUNTS APPROPRIATED

Mr. MURPHY. If I might comment on that, Senator Holland, it is true that the administration has requested something less than full reimbursement from time to time, and that the Congress has appropriated something less than enough money to provide full reimbursement.

It seems to me that that is not only justifiable but probably a wise policy to have followed. I make no apologies for it so far as the administration is concerned, and certainly I plan no criticism for it as far as the Congress is concerned. It is my feeling, at least, to the extent that I have participated in setting what the administration request would be, that we should not request the appropriations of unnecessarily large amounts of money beyond what there was any likelihood that we would need to carry on the operations of the Commodity Credit Corporation.

If the Congress has felt that it was not appropriate to appropriate amounts of money that were larger than necessary to provide a reasonable operating margin, I would certainly think that there was no criticism to be implied from our standpoint.

Senator HOLLAND. I have one more statement so that we can have this clearly in the record.

VIEWPOINT OF DEPARTMENT ON APPROPRIATIONS

The Department has decided upon the policy which it would follow and it has a right to have a policy, and that policy has been as I have understood it that it wanted to ask for enough to make sure that the CCC would be solvent, and able to operate throughout the year covered by the particular appropriations.

Mr. MURPHY. Yes.

Senator HOLLAND. And without a view at all of completely reimbursing the CCC and leaving it in a fully reimbursed situation.

WAIVING OF INTEREST ON PRIOR YEAR'S LOSSES

Mr. MURPHY. That has been the general policy, which has been followed here in the last several years. On this point, I would like to add just one other comment, please.

One of the problems that this has left us with is the payment of interest on the amount of money which was not reimbursed, and for which reimbursement was not requested. We have continued to pay interest to the Treasury Department and that represents a charge, of course, against the budget of the Commodity Credit Corporation, and in general, against the agricultural price support program.

Last year we recommended that in the Appropriation Act, a provision be included which would permit the waiving of interest or permit not paying interest on this part of the net realized loss after a certain period of time. That provision was included in the bill as reported from the House committee, but was deleted on the floor of the House of Representatives on a point of order.

I hope very much that either in the Appropriation Act this year, or by enabling legislation, some provision can be made so that we will not have to continue to pay and be charged with interest for this money. If it is never going to be an appropriation to reimburse these losses, it seems to me that we should not continue indefinitely to pay this interest.

Senator HOLLAND. I was sorry that it was stricken on that point of order, but probably it would have had the same fate over here if it had originated in the Senate, but if it had come over from the House in the bill, it would not have been subject to the same point of order.

REIMBURSEMENT APPROPRIATIONS FOR LOSSES

I am going to yield to Senator Young, but first I would like to mention that the members of this committee have been, I won't say dissatisfied with the way this item has been carried along, but we have questioned the wisdom of not facing up to the problem year after year and reestablishing the complete original situation of CCC. The carrying over of this large balance of admitted and uncompensated for loss has raised continuous questions, and I think it will continue to do so

as long as that is the case. But it is a question of policy. I think we understand each other clearly.

POLICY OF FULL REIMBURSEMENT APPROPRIATION

Senator YOUNG. Not asking for full reimbursement of losses has been a policy for a number of years, has it not? How far back does it go?

Mr. GRANT. I believe, Senator Young, that the 1965 budget, covering losses for 1963, was the first year we did not ask for full restoration in the budget, except for the 1961 revaluation which the chairman was talking about.

USE OF BORROWING AUTHORITY

Senator YOUNG. I would like to ask a question. What is the total borrowing authority?

Mr. BEACH. \$14½ billion.

Senator YOUNG. Can you give us an accounting of this \$14.5 billion, and can you break that down into what has happened to this \$14.5 billion? I understand that you are about out of money now.

Mr. BEACH. We had as of Friday, a balance of about \$42 million left. As to the total use of that, the last full accounting we had was as of November 30, and at that time we had \$7.2 billion invested in loans and inventories.

Senator YOUNG. In loans and inventories?

Mr. BEACH. Yes, sir.

Senator YOUNG. How much does CCC own now in commodities?

Mr. BEACH. As of November 30, we had \$4,750 million invested, at acquisition costs, in inventories, and we had \$2,449 million in loans, and it has changed slightly since that time.

Senator YOUNG. Where is the rest of the money?

Mr. BEACH. The rest of the money is tied up in unreimbursed losses, primarily.

Senator YOUNG. How much is that?

Mr. BEACH. We had a total of \$7,120 million of unreimbursed losses as of November 30. Part of those, as we mentioned, would be included in the 1966 and 1967 budgets in the normal course, but the portion represented by the \$1,081 million for 1963 and \$100 million for 1962 that we are asking for in this supplemental was also included.

Senator YOUNG. Would you repeat that?

UNREIMBURSED REALIZED LOSSES

Mr. BEACH. The portion of the \$7.1 billion of realized losses that we mentioned, represented by the portion that we asked for in this supplemental, is \$1,180.9 million. That represents the remainder of the 1962 loss and the remainder of the 1963 realized loss. There is in addition \$1,057 million that Mr. Holland has pointed out, represented by the inventory revaluation loss which was taken in 1961.

Then there are losses that were taken in 1964 which will be the base for the 1966 appropriations, amounting to \$3,227 million, and losses

that were taken thus far through November of 1964 of \$1,655 million. That adds up to \$7.1 billion.

Senator YOUNG. Those are losses that CCC has not been reimbursed for?

Mr. BEACH. That is right. Which means we had borrowed this money from the Treasury, and we had not repaid the Treasury because the money had been lost or expended.

If you add the \$7.1 billion to the \$7.2 billion that I referred to earlier as investment in loans and inventories, you come up approximately to the borrowing power used.

PUBLIC LAW 480 LOSSES OR COSTS

Senator YOUNG. What part of this \$7 billion is represented by losses or costs of Public Law 480?

Mr. BEACH. None. Public Law 480, except for the balance for 1965 that we are asking for in this particular supplemental, is on a pay-as-you-go basis.

Senator YOUNG. This \$7 billion, does this include your inventories where actual losses have not been established yet?

Mr. BEACH. This includes only realized losses, losses which have actually been taken. It includes all of the acreage diversion costs, and price-support payment costs as well as loss on sales, primarily.

Senator YOUNG. How much are the storage payments?

Mr. BEACH. Including the storage?

Senator YOUNG. How much are the storage payments?

BASIC NEED FOR SUPPLEMENTALS

Mr. BEACH. In the last year (fiscal year 1964), it ran about \$365 million.

Senator HOLLAND. Well, the reason why, if I understand it, you run short now, is because you have this total realized loss that you have not had restored of something over \$7 billion, and you have this additional large investment in stocks on hand, to an amount that practically uses up your entire borrowing power, the \$14 billion; is that right?

Mr. GODFREY. This is it, exactly.

Senator HOLLAND. Well, I am completely sympathetic with Senator Young, and Senator Robertson and other Senators who feel like this is not a good situation, but I want to bring in now a point that I am less satisfied with.

INCLUSION OF NONAGRICULTURAL COSTS

The point I want to make is you have mixed in this actual cost of the agricultural programs so many items for which agriculture has not received any benefit at all. One of them which you mentioned yourself is this large interest accumulation on realized losses. We all know these interest payments did not go into the pockets of any agricultural producers in any way.

Senator YOUNG. Much of it is storage payments.

Senator HOLLAND. Yes, and another item is losses under the various operations of Public Law 480 which is operated unlike our domestic program in that it carries all of this material forward.

Most titles of Public Law 480 are operated on a current basis from year to year whereas losses incurred under CCC go to prior years. The result of this problem is to make it look like it benefits agriculture and agricultural programs whether we approved these programs or not, and most of us approved most of them. They appear to have cost a great deal more than they actually have.

LAG IN APPROPRIATIONS FOR TRULY AGRICULTURAL COSTS

In my opinion, this is the most objectionable part of this whole situation. We may have more to say about that when we get through this statement and the committee may have things to say that I can't foresee now. But it is just getting where it is more and more apparent that it is wrong to carry the domestic program in the last position, since it carries all of these revaluations and all of these accumulated losses, and all of this interest that is paid out for which agriculture gets no benefit at all. That is what the picture looks like, and it is not that way, in fact and in truth. That is what I object to more than any other feature of this whole problem. I think this is a questionable policy.

As to whether there is any alternative policy to bring about a better situation, that is something which I think this committee has to look into.

NEED FOR IMPROVED CLASSIFICATION OF FARM PROGRAM COSTS

Mr. MURPHY. We thoroughly agree that many expenditures are charged up to the agricultural program that should not be charged up to the agricultural program, and we will be glad to cooperate in any way that we can to see that that situation is changed, and they are not charged up to agriculture.

Senator HOLLAND. We have requested that year after year after year, both from the legislative committee and from this Appropriations Committee and yet it seems to me right now that this whole burden, or much of it is going to fall on agriculture when it should not rightfully do so.

PUBLIC BELIEF

Senator YOUNG. The sad part of it is that the general public, or probably 90 percent of the people in the United States believe that farmers are actually getting subsidy checks for this \$7 or \$8 billion Agriculture budget. Most people believe this.

Senator HOLLAND. The time is coming, and the moment of truth is just about to arrive I think, when we have to face up to this thing, and separate out those parts of the program that deal with and benefits domestic agriculture, and it is large and was intended to be so by the Congress, and then show that part that does not go, and is not going now to any direct or indirect help to agriculture.

It takes a "Philadelphia lawyer" and a bunch of accountants and the Senate and House committees and yourselves and a lot of other good

people to figure out. I doubt even then if we get the right answer as to what part has gone to agriculture and what part has not. But we know it is very much less than the totals which appear in this unfolding picture here.

DONATIONS AND DISTRIBUTION PROGRAMS

Senator YOUNG. I wanted to ask one more question: What part of this accumulated loss is represented by the school lunch program and milk program?

Mr. BEACH. None of it.

Senator YOUNG. CCC has been reimbursed for that?

Mr. BEACH. Those are financed by separate appropriations; yes, sir. They are not included in this cost.

Mr. GRANT. Senator Young, I think what you might be asking about is the donations under section 416. Some of the donations under section 416 are included in this.

Mr. BEACH. To the extent that CCC has made commodities available over and above the regular school lunch appropriation, this would be a part of the regular CCC cost.

Mr. GRANT. We can put that figure in the record. I do not have it at the moment.

Senator YOUNG. What about famine relief? Is this covered under another part of the law?

Mr. BEACH. Famine relief is covered under Public Law 480.

Mr. MURPHY. That is in foreign countries; that is included under Public Law 480.

Senator YOUNG. Donations of food in this country does come under this?

Mr. BEACH. Yes; donations under section 416 are a part of CCC's realized losses.

Mr. GRANT. We make donations under section 416. These donations go to needy people in this country, and abroad and some are distributed to schools. We can give you a figure on that. It is included in this CCC item, though.

(The information referred to follows:)

Domestic and foreign donations of commodities from CCC inventories, fiscal years 1961-65, as of Nov. 30, 1964

[In thousands of dollars]

Commodity	Fiscal year 1961		Fiscal year 1962		Fiscal year 1963		Fiscal year 1964		Fiscal year 1965, as of Nov. 30, 1964		Grand total	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beans, dry edible.....	4,101	---	5,312	2,827	8,800	4,696	5,425	157	3,520	117	27,158	7,797
Corn.....	1,083	698	83	1,074	2	1,564	20	1,679	56	412	1,214	5,427
Corn products.....	5,711	14,699	6,924	14,336	6,078	15,509	5,921	15,872	2,295	4,122	26,929	64,538
Grain sorghum.....	385	---	504	---	---	---	288	---	---	---	1,157	---
Oats.....	50	---	---	---	---	---	---	---	---	---	50	---
Rice, milled.....	11,169	15,115	14,821	194	11,452	43	13,807	38	5,022	---	56,271	15,102
Wheat.....	87	3,793	(2)	2,225	(2)	2,082	---	12,427	---	---	87	23,929
Wheat flour.....	23,195	57,439	30,308	71,027	29,067	64,994	27,810	58,629	10,805	13,081	121,185	265,770
Butter.....	10,926	---	69,663	61	113,456	6,019	126,494	24,973	7,132	167	327,671	31,220
Butter oil.....	---	---	---	10	(2)	20,929	(2)	98,767	(2)	9,629	(2)	129,335
Cheese.....	---	---	47,454	(2)	53,076	14,233	51,940	1,936	2,652	---	155,122	16,169
Milk, dried.....	21,850	68,939	40,079	96,227	31,206	94,928	29,492	100,912	3,242	11,307	125,869	372,313
Milk, fluid.....	25,294	---	25,939	---	24,815	---	26,515	---	6,806	---	109,369	---
Cotton, extra-long staple.....	1	---	(2)	---	(2)	---	1	---	(2)	---	2	---
Cotton, upland.....	4	---	3	---	10	---	5	---	4	---	26	---
Peanuts, farmers' stock.....	1	---	4	---	2	---	---	---	---	---	11	---
Fruits, canned.....	---	---	---	---	---	---	---	---	---	---	---	1
Poultry products.....	32	---	---	3	9,799	22,028	298	3,613	---	360	10,097	35
Vegetable oil products.....	4,582	---	---	43,968	5,950	1,095	4,283	2,507	1,470	1,289	16,165	74,551
Wheat, rolled.....	---	---	4,462	---	59	12,299	408	18,120	167	5,839	39,706	4,891
Bulgar.....	---	---	---	3,448	---	464	(2)	5,592	---	1,232	(2)	7,288
Ghee.....	---	---	---	---	---	---	10	---	---	(2)	---	10
Soya grits.....	---	---	---	---	---	---	4	---	---	---	---	---
Peanuts, shelled.....	---	---	---	---	---	---	---	115	---	6,672	---	6,787
Cottonseed oil, refined (salad oil).....	---	---	---	---	---	---	---	---	---	---	---	---
Total.....	108,857	165,298	245,556	235,712	293,774	260,883	292,688	345,347	43,171	57,629	979,046	1,064,869
Fiscal year totals (domestic and foreign).....	269,155	---	481,268	---	554,657	---	638,035	---	100,800	---	2,043,915	---

? Less than \$500.

1 Credit item.

RESTORATION OF REALIZED LOSSES

Senator HOLLAND. All right, thank you. Will you proceed, Mr. Godfrey?

Mr. GODFREY. I believe we have discussed this. Assuming approval of this supplemental request, there will still remain \$1.1 billion of un-restored losses relating to the 1961 revaluation of CCC inventories. As a result, the efficient operation of the Corporation has been impaired in recent years. Considerable difficulties have been encountered and extra costs incurred in attempting to keep within the limitation on borrowings in the absence of full restoration of capital impairment.

Senator HOLLAND. I think that is absolutely a correct statement in that paragraph. How do you propose to correct that lamentable situation?

Mr. GODFREY. We feel the request here, plus what is going forward in the 1966 budget, will correct this. We will have enough reserve to operate without any additional cost.

FULL RESTORATION OF CAPITAL IMPAIRMENT

Senator HOLLAND. Are you approaching, in the 1966 budget, what you referred to here as full restoration of capital impairment?

Mr. GODFREY. No, sir; we will not.

Senator HOLLAND. Then you won't fully get away from this practice?

Mr. GODFREY. We won't get away from it completely but we feel if we get reimbursed as requested here, plus full authority for what is requested in the 1966 budget, then we would have a margin which would permit us to operate.

Senator HOLLAND. By how much would you lack of the full restoration that you want eventually?

Mr. GODFREY. We would still be missing the \$1,057 million from revaluation of 1961, and then we would be on a par basis other than through losses for 1964.

REALIZED LOSSES FOR FISCAL YEAR 1964

Senator McGEE. Which you do not know yet.

Mr. GODFREY. We do know losses for 1964.

Senator McGEE. What are those losses, and what is the difference?

Mr. GODFREY. The losses for 1964 are \$3,226 million.

Senator McGEE. That would be added to the figure that you are requesting plus \$1,057 million.

Mr. GODFREY. I am not in a position to say what the budget will contain today when it comes forward.

Senator McGEE. Is that not in the budget? I think that budget is pretty much public property right now, is it not?

Mr. GODFREY. We are asking for \$2,300 million or \$926 million less than the actual losses.

INADEQUACY OF 1966 BUDGET REQUEST

Senator HOLLAND. You are continuing this policy?

Mr. GODFREY. We are asking for no more than we think is absolutely necessary to continue the operation.

Senator HOLLAND. You are just going to ask in the 1966 budget which comes forward today, for just enough, you think, to continue operating until you can get a supplemental bill through in the spring of next year?

Mr. GODFREY. We do not believe we will need another supplemental bill if we get the appropriation requested. We believe we could go forward and operate until the next budget request.

UNRESTORED CAPITAL IMPAIRMENT

Senator HOLLAND. But you still would be far short of what you have referred to here, I think, as the ultimate thing that you would like, and that is full restoration of capital impairment.

Mr. GODFREY. Assuming these appropriations are enacted, this would still leave us with unreimbursed losses of \$1,983 million.

Senator HOLLAND. Plus the revaluation.

Mr. GODFREY. That includes the revaluation.

Senator HOLLAND. It is practically \$2 billion?

Mr. GODFREY. Yes, sir; practically \$2 billion.

CONTINUATION OF PAST BUDGETARY POLICY

Senator HOLLAND. If this present request is granted in full, and if the 1966 budget request is granted in full, you would still be carrying forward an absence of full restoration of capital impairment, to use your language here, in the amount of about \$2 billion?

Mr. GODFREY. Yes, roughly \$2 billion.

Senator HOLLAND. Then that would be a continuation in large part of the policy which you have been following these last 2 years?

Mr. GODFREY. Yes, sir; and in the absence of the legislation that Mr. Murphy talked about, we would continue to pay interest on this to the Treasury, also.

Senator HOLLAND. All right.

ACCRUAL OF INTEREST CHARGES

Senator ALLOTT. If I could just ask a question there, the statement was made awhile ago that you did not think that the interest should be charged as a part of this expense, yet you are continuing the policy which does continue the interest and you are not facing up to the problem so that it is probably chargeable against this cost of this program, is it not?

Mr. GODFREY. I think that you are right.

Senator HOLLAND. I do not think it is entirely right. I think that you have tried to face up to this interest part of it by requesting legislation which will obviate that part of it, but the policy that you are following would still preserve carrying forward the lack of full restoration in a very substantial amount, about \$2 billion.

Senator ALLOTT. Which does create interest charges.

Senator HOLLAND. It would unless the legislation which they have requested and which was stricken in the House last year on a point of order, were granted. But I think it is fair to say, if I have understood the situation, that they do not continue to approve of that. They have tried to correct that part of it. But you have continued

to approve policy which has carried forward restoration of substantially less than your full capital from year to year.

Mr. MURPHY. That is true, Senator, and I think in all fairness we should say that this is not a policy for which Mr. Godfrey and the people in ASCS bear the primary responsibility within the administration. I expect they are not particularly enthusiastic about it.

NEED FOR ADEQUATE OPERATING FUNDS

Senator HOLLAND. I have not so stated, and I am very sure from his statement he would much prefer to have full restoration because he speaks very hopefully here about full restoration of capital impairment, and I am sure that would please him best.

Mr. MURPHY. I think again in all fairness that I bear more of the responsibility for this than they do, although it is not entirely my decision. I agree thoroughly that the Commodity Credit Corporation should have ample operating funds so that it has a margin on hand at all times all through the fiscal year, and at the end of the fiscal year, which will permit it to operate in an even manner, so as not to incur additional expenses that we do incur from time to time, when you are limited or impeded by a lack of funds.

On the other hand, assuming, if we can, that you do have ample funds for operation without full restoration of the capital impairment, I think it is a different question if you should have this full restoration of capital impairment just for the sake of having that restoration.

That brings you to the question of whether or not funds should be appropriated beyond those that are necessary for operations with the ample operating margin. That is the policy that the administration has taken, and it has been reflected in the President's budget. Appropriation requests of the last year or two have been something less than the full restorations and are regarded as the better policy. It seems to me, at least, that there is much to be said for that position.

RESTORATION OF COMPLETE CAPITAL LOSSES

Now, on the other hand, if the Congress should appropriate additional funds to restore the capital losses completely, obviously we would be very glad to have the money. But I think the administration has not felt it wise to request these appropriations, and I certainly mean to imply no criticism of the Congress because it has not appropriated more than the administration has requested in this connection.

LEGISLATIVE POLICY ON REIMBURSEMENT FOR LOSSES

Senator HOLLAND. Is it not true that the Congress put itself on record as not favoring the policy that you followed when it passed legislation to the effect that it would not continue to cancel notes from year to year, but instead would insist upon reimbursement?

Mr. MURPHY. I am not personally familiar with that, Senator.

Senator HOLLAND. You do not remember that Congress passed that legislation?

Mr. GRANT. Yes, sir. Back, I believe, in 1954, Congress enacted legislation which stated that thereafter the capital of the Corporation would be restored on the basis of actual realized losses, rather than estimated realized losses, and that it be done by appropriation rather than by cancellation of notes.

(Public Law 312 approved March 20, 1954.)

Senator HOLLAND. Then the real question is whether or not the old method of having these losses just canceled out as we did for years should continue, or whether we should really reimburse the Corporation actually so that it would find its capital restored.

The policy which you have followed is neither fish, flesh, nor fowl. It is in between.

Mr. MURPHY. I think that is an appropriate description.

Senator HOLLAND. All right.

NEEDS FOR CARRYING ON OPERATIONS

Senator YOUNG. Could I ask this question: Would you need the full \$1,700 million to carry on your operations until your regular appropriation bill is passed later this year?

Mr. MURPHY. Our estimates are, Senator, to the effect that if this amount were appropriated we could come to the end of this fiscal year with something over \$900 million balance left.

Again, as you all know, we operate a program which is subject to wide variations in the timing of the demands that are made on the programs, and certainly that estimate is not precise. It may turn out to be low, and it may turn out to be high.

Senator HOLLAND. Or the appropriation bill might turn out to be late.

Mr. MURPHY. Yes.

Senator HOLLAND. It has been late several years.

ESTIMATED BORROWING AUTHORITY, JULY 1

Mr. MURPHY. That is our estimate now; \$947 million is the amount that would be in the balance at the end of this fiscal year if this money is appropriated.

Senator YOUNG. Do you have an estimate on the losses of price support operations for the current fiscal year?

Mr. BEACH. An estimate of the loss for the current fiscal year?

Senator YOUNG. Yes, on the losses of the price support operations, that is, the current price support operations, and do you have a breakdown on this for each of the commodities.

Mr. BEACH. Our estimate of the realized losses for the fiscal year 1965 for price support and related programs is \$3,209 million.

Senator YOUNG. How much of that is wheat and feed grains?

Mr. BEACH. Let us take feed grains, I can give you the individual commodities. For corn the total is \$1,079 million. Cotton is \$739 million. Wheat, without the wheat products, and just wheat, is \$152 million, and then you add to that the International Wheat Agreement, which would be another \$30 million. That is the cost of the International Wheat Agreement, which would not be in the realized losses.

Senator YOUNG. Your losses in the wheat program are way down.

Mr. BEACH. Yes, but you have a very large cost on Public Law 480. There is \$993 million in addition there.

Senator YOUNG. That is the foreign aid program.

Mr. BEACH. Which is not included in the realized losses of CCC.

Senator PROXMIRE. What year was this?

Mr. BEACH. These are the estimates for the current fiscal year, 1965.

Senator YOUNG. How much is dairy?

Mr. BEACH. I have it broken down. That is \$320 million, and I am speaking only of the price support and related costs, exclusive of the Public Law 480.

Senator HOLLAND. Would it not be a good idea to ask them to put in by commodities the total estimates for the 1965 losses?

Senator YOUNG. Yes.

Mr. BEACH. We will do that.

(The information referred to appears on p. 28.)

LOSSES BY FISCAL YEARS

Senator HOLLAND. While we are dealing with this general subject, let me say this: In order that the committee might be apprised of the record of realized losses by fiscal years, the appropriation estimates and actual appropriations made, including the fiscal year in which they were requested, I ask that you supply for the record a tabulation which will show the realized losses by fiscal years, the fiscal year amount of reimbursements requested in the estimates, the appropriations enacted, and the reductions made by the Congress under the estimates.

I wish this table to show clearly the fact that you have been requesting only partial restoration by fiscal years, and it should also show any reimbursement losses which remain from prior years.

Finally, on the last line, it should show the realized losses for fiscal year 1964 and the pending estimate for 1966, which we have just been talking about, together with the amount of the estimate for reimbursement below the actual realized loss for 1964. We have already stated that we want the estimated losses for 1965 to be broken down by commodities, so we can have that.

I think that this outline of the total picture will be helpful, not only to the committee, but to Senators and the public in general.

(The information referred to follows:)

COMMODITY CREDIT CORPORATION

Net losses, budget estimates and appropriations

[Millions of dollars]

Fiscal year loss incurred	Amount of loss	Estimate for budget fiscal year	Amount requested	Amount appropriated		Unreimbursed loss	
				Year	Cumulative	Year	Cumulative
1959-----	1, 207	1960 supplemental---	575	575	575	632	632
		1961-----	632	632	1, 207	0	0
1960-----	1, 612	1961 supplemental---	594	594	1, 801	1, 018	1, 018
		1962-----	1, 018	1, 018	2, 819	0	0
1961-----	¹ 3, 335	1963-----	2, 490	2, 278	5, 097	² 1, 057	1, 057
1962-----	2, 799	1964-----	2, 799	2, 699	7, 796	100	1, 157
		1965 supplemental---	100				
1963-----	2, 655	1965-----	1, 724	1, 574	9, 370	1, 081	2, 238
		1966 supplemental---	1, 081				
1964-----	3, 227	1966-----	³ 2, 300			3, 227	3, 465
1965 through Nov. 30, 1964.	1, 655	1967-----				1, 655	7, 120
Total-----	16, 490			9, 370			7, 120

¹ Includes \$1,268 inventory revaluation.

² Balance of inventory revaluation—includes \$211.5 million requested—not appropriated.

³ It is estimated this appropriation request would provide a desirable operating margin.

Senator PROXMIRE. Would it be possible, Mr. Chairman, to have that breakdown for 1963 and 1964 in addition to 1965?

Senator HOLLAND. I have already asked that.

Senator PROXMIRE. The breakdown for commodities.

Senator HOLLAND. Let the breakdowns for former years be by commodities, also.

The table on page 689 of the hearings for 1965 carries this information as of that date. An extension of that would be what we would expect.

(The information referred to follows:)

Realized losses

Item	Fiscal years		
	1963 actual	1964 actual	1965 estimate
Price support, export, supply and related programs:			
Commodity inventory operations:			
Loss or gain on sales.....	¹ \$131,972,925	¹ \$34,341,276	\$83,369,501
Donations.....	554,656,652	638,034,751	434,407,832
Storage and handling expense.....	365,941,152	365,379,266	308,536,400
Transportation expense.....	170,114,252	178,065,616	139,841,400
Total, commodity inventory operations.....	958,739,131	1,147,138,357	966,155,133
Commodity export payments.....	177,990,381	212,017,776	121,120,000
Reseal storage payments.....	75,893,406	79,236,088	78,230,000
Price support payments:			
Feed grains.....		382,409,240	269,000,000
Wheat.....		79,169,092	
Cotton.....			66,000,000
Total, price support payments.....		461,578,332	335,000,000
1961 feed grain program payments.....	¹ ² 469,458	¹ ² 136,238	
1962 feed grain program payments.....	489,180,769	¹ ² 84,718	
1963 feed grain program payments.....	188,551,052	273,339,123	
1964 feed grain program payments.....		372,971,347	503,200,000
1965 feed grain program payments.....			379,300,000
Total, feed grain program payments.....	677,262,363	646,089,514	882,500,000
Wheat certificate operations.....			¹ 75,200,000
1962 wheat stabilization program payments.....	220,096,354	¹ 14,578	
1963 wheat stabilization program payments.....	48,527,441	114,635,772	
1964 wheat stabilization program payments.....			34,000,000
Cotton equalization payments.....		62,609,966	483,000,000
Other program expense (net).....	28,673,127	32,569,103	12,920,681
Interest (net).....	377,611,949	412,141,735	205,013,000
Administrative and nonadministrative expense (net).....	90,093,300	58,894,362	65,986,186
Total, price support, export, supply and related programs.....	2,654,887,452	3,226,896,427	3,208,725,000
Special milk program ²	¹ 34,248	¹ 126,451	¹ 12,000
Subtotal.....	2,654,853,204	3,226,769,976	3,208,713,000
Total realized losses included in appropriation.....	1,574,000,000	2,300,000,000	(³)
Included in 1965 supplemental.....	-1,080,853,000		
Balance not appropriated.....	-204	-926,980,884	
Total, realized losses.....	1,574,000,000	2,299,789,092	
Reimbursement for costs of grain furnished States for starving resident game birds.....		210,908	
Total.....	1,574,000,000	2,300,000,000	

¹ Denotes net gain.

² Prior year adjustments.

³ Subsequent to 1966 estimate. As of November 30, 1964, actual net realized losses amounted to \$1,654,878,722.

LOSSES UNDER PUBLIC LAW 480 AND COMMODITY CREDIT CORPORATION

Senator MUNDT. Where there is a loss on these commodity by commodity reports, you will also have Public Law 480, but somehow or other you should provide a composite table showing what is 480 and what is the total for each commodity.

Mr. BEACH. Yes, sir.

(The information referred to follows:)

Commodity Credit Corporation

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
BASIC COMMODITIES			
Corn:			
Price support payments.....		304.4	217.0
All other.....	227.7	166.1	141.9
Total, price support.....	227.7	470.5	358.9
Commodity export.....	(1)		
Acreage diversion payments.....	546.8	520.1	720.0
Total, price support, export and related.....	774.5	990.6	1,078.9
Public Law 480:			
Title I:			
CCC stocks.....	30.2	28.8	14.8
Other stocks.....	12.8	26.6	22.4
Total, title I.....	43.0	55.4	37.2
Title II: CCC stocks.....	6.0	8.4	11.9
Title IV:			
CCC stocks.....	.5	1.1	3.7
Other stocks.....	-.3	-.6	9.8
Total, title IV.....	.2	.5	13.5
Total, Public Law 480.....	49.2	64.3	62.6
Total, corn.....	823.7	1,054.9	1,141.5
Corn products:			
Price support.....	21.5	21.6	20.9
Public Law 480: Title II, CCC stocks.....	.3	.2	.2
Total, corn products.....	21.8	21.8	21.1
Cotton, extra long staple:			
Price support.....	.1	.2	2.0
Public Law 480:			
Title I, other stocks.....	1.7	1.6	7.0
Title IV.....			1.4
Total, cotton, extra long staple.....	1.8	1.8	10.4
Cotton, upland:			
Price support payments.....			66.0
All other.....	50.8	212.2	172.4
Commodity export:			
Cotton.....	103.4	22.5	13.5
Cotton products.....	17.7	17.5	3.5
Equalization payments.....		62.6	483.0
Total, price support, export and related.....	171.9	314.8	738.4
Public Law 480:			
Title I:			
CCC stocks.....	4.4	129.1	69.4
Other stocks.....	175.1	38.8	56.2
Total, title I.....	179.5	167.9	125.6

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
Cotton, upland—Continued			
Public Law 480—Continued			
Title IV:			
CCC stocks.....	.1	(1)	23.1
Other stocks.....	33.0	2.2	18.7
Total, title IV.....	33.1	2.2	41.8
Total, Public Law 480.....	212.6	170.1	167.4
Total, cotton, upland.....	384.5	484.9	905.8
Peanuts (including peanut butter): Price support.....	21.2	28.3	31.2
Rice:			
Price support.....	12.4	15.1	15.3
Commodity export.....	24.1	38.8	30.4
Total, price support, export and related.....	36.5	53.9	45.7
Public Law 480:			
Title I:			
CCC stocks.....	(1)	1.0	---
Other stocks.....	106.0	106.0	106.0
Total, title I.....	106.0	107.0	106.0
Title II, CCC stocks.....	.1	(1)	---
Title IV:			
CCC stocks.....	---	---	---
Other stocks.....	6.6	9.7	17.5
Total, title IV.....	6.6	9.7	17.5
Total, Public Law 480.....	112.7	116.7	123.5
Total, rice.....	149.2	170.6	169.2
Tobacco:			
Price support.....	16.1	11.5	---
Public Law 480:			
Title I, other stocks.....	22.7	23.8	26.0
Title IV, other stocks.....	1.6	2.9	5.9
Total, Public Law 480.....	24.3	26.7	31.9
Total, tobacco.....	40.4	38.2	31.9
Wheat:			
Certificate operations.....	---	---	² 75.2
Price support payments.....	---	79.2	---
Commodity export.....	19.7	91.3	12.2
All other.....	² 20.1	33.8	180.5
Wheat stabilization payments.....	268.6	114.7	34.0
Total, price support, export and related.....	268.2	319.0	151.5
International Wheat Agreement:			
CCC stocks.....	62.8	109.4	26.2
Other costs.....	11.4	16.4	3.8
Total, International Wheat Agreement.....	74.2	125.8	30.0
Public Law 480:			
Title I:			
CCC stocks.....	362.6	284.4	91.3
Other stocks.....	734.5	708.3	740.0
Total, title I.....	1,097.1	992.7	831.3
Title II, CCC stocks.....	92.2	87.3	75.7

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
Wheat—Continued			
Public Law 480—Continued			
Title IV:			
CCC stocks.....	5.6	8.6	8.8
Other stocks.....	9.8	21.4	77.2
Total, title IV.....	15.4	30.0	86.0
Total, Public Law 480.....	1,204.7	1,110.0	993.0
Total, wheat.....	1,547.1	1,554.8	1,174.5
Bulgur:			
Price support.....	10.6	16.6	16.0
Public Law 480: Title II, CCC stocks.....	5.3	6.1	6.7
Total, bulgur.....	15.9	22.7	22.7
Rolled wheat:			
Price support.....	7.1	6.7	6.9
Public Law 480: Title II, CCC stocks.....		.3	.7
Total, rolled wheat.....	7.1	7.0	7.6
Wheat flour:			
Price support.....	93.3	85.7	88.7
Commodity export.....	6.6	5.4	2.1
Total, price support, export and related.....	99.9	91.1	90.8
Public Law 480: Title II, CCC stocks.....	21.9	19.5	16.9
Total, wheat flour.....	121.8	110.6	107.7
MANDATORY NONBASIC COMMODITIES			
Barley:			
Price support payments.....		19.0	14.0
All other.....	5.6	2.7	.4
Total, price support.....	5.6	21.7	14.4
Commodity export.....	2.2		
Acreage diversion payments.....	37.0	36.0	44.0
Total, price support, export and related.....	42.4	57.7	58.4
Public Law 480:			
Title I:			
CCC stocks.....	4.5	13.5	10.8
Other stocks.....	8.6	-1.7	
Total, title I.....	13.1	11.8	10.8
Title IV, CCC stocks.....	1.0	.1	
Total, Public Law 480.....	14.1	11.9	10.8
Total, barley.....	56.5	69.6	69.2
Honey: Price support.....	(1)		
Butter and products:			
Price support.....	165.3	306.6	109.9
Public Law 480:			
Title I:			
Other stocks.....	.1	.8	
CCC stocks.....	.6	.1	7.9
Title II, CCC stocks.....	1.5	11.6	6.2
Title IV:			
CCC stocks.....	.5	1.0	1.2
Other stocks.....	-.2	.4	
Total, title IV.....	.3	1.4	1.2
Total, Public Law 480.....	2.5	13.9	15.3
Total, butter and products.....	167.8	320.5	125.2
Milkfat: Commodity export.....		6.9	26.2

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
Cheese:			
Price support.....	72.2	57.4	23.0
Public Law 480:			
Title I, CCC stocks.....	.2	.1	1.2
Title II, CCC stocks.....	.1	.4	.4
Title IV, CCC stocks.....			.4
Total, Public Law 480.....	.3	.5	2.0
Total, cheese.....	72.5	57.9	25.0
Milk, fluid: Price support.....	24.8	26.5	26.7
Milk, nonfat dry:			
Price support.....	162.4	172.1	104.0
Commodity export.....	6.7	29.6	30.2
Total, price support, export and related.....	169.1	201.7	134.2
Public Law 480:			
Title I:			
CCC stocks.....	2.0	1.7	2.6
Other stocks.....	4.8	5.4	
Total, title I.....	6.8	7.1	2.6
Title II, CCC stocks.....	12.7	7.7	7.0
Title IV:			
CCC stocks.....			
Other stocks.....	1.0		
Total, Public Law 480.....	20.5	14.8	9.6
Total, milk, nonfat dry.....	189.6	216.5	143.8
Total, dairy products:			
Price support.....	424.7	562.6	263.6
Commodity export.....	6.7	36.5	56.4
Total, price support, export and related.....	431.4	599.1	320.0
Public Law 480:			
Title I:			
CCC stocks.....	2.8	1.9	11.7
Other stocks.....	4.9	6.2	
Total, title I.....	7.7	8.1	11.7
Title II, CCC stocks.....	14.3	19.7	13.6
Title IV:			
CCC stocks.....	.5	1.0	1.6
Other stocks.....	.8	.4	
Total, title IV.....	1.3	1.4	1.6
Total, Public Law 480.....	23.3	29.2	26.9
Total, dairy products.....	454.7	628.3	346.9
Oats:			
Price support.....	3.4	4.8	7.2
Acreage diversion payments.....			3.3
Total, price support, export and related.....	3.4	4.8	10.5
Public Law 480: Title I, CCC stocks.....	.1	.1	
Title IV, CCC stocks.....		.1	
Total, oats.....	3.5	5.0	10.5
Rye:			
Price support.....	2.3	2.1	(1)
Acreage diversion payments.....			.2
Total, price support, export and related.....	2.3	2.1	.2

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
Rye—Continued			
Public Law 480:			
Title I:			
CCC stocks.....	1.1	.1	
Other stocks.....	— .9		
Total, title I.....	.2	.1	
Title IV.....		(1)	
Total, Public Law 480.....	.2	.1	
Total, rye.....	2.1		.2
Grain sorghums:			
Price support payments.....		59.0	38.0
All other.....	125.9	75.7	65.7
Total, price support.....	125.9	134.7	103.7
Commodity export.....	(1)		
Acreage diversion payments.....	93.5	90.0	115.0
Total, price support, export and related.....	219.4	224.7	218.7
Public Law 480:			
Title I:			
CCC stocks.....	15.8	7.0	4.6
Other stocks.....	—4.8	—4.5	
Total, title I.....	11.0	2.5	4.6
Title II, CCC stocks.....	2.3	3.0	6.0
Title IV:			
CCC stocks.....	2.6	2.1	2.8
Other stocks.....	—1.3	—1.4	
Total, title IV.....	1.3	.7	2.8
Total, Public Law 480.....	14.6	6.2	13.4
Total, grain sorghums.....	234.0	230.9	232.1
Tung oil: Price support.....			.1
OTHER NONBASIC COMMODITIES			
Beans, dry edible:			
Price support.....	16.0	6.6	8.4
Public Law 480:			
Title I:			
CCC stocks.....	.1	.4	
Other stocks.....	.2	.8	.2
Total, title I.....	.3	1.2	.2
Title II, CCC stocks.....	.1	(1)	.6
Title IV, other stocks.....	.5	.2	.6
Total, Public Law 480.....	.9	1.4	1.4
Total, beans, dry edible.....	16.9	8.0	9.8
Flaxseed:			
Price support.....	.7	2.9	1.5
Commodity export.....			.8
Rosin: Price support.....			
Turpentine: Price support.....	.3	.2	
Soybeans:			
Commodity export payments.....		(1)	2.0
Price support.....	1.5	2.8	1.4
Public Law 480: Title IV, private stocks.....	8.3	.4	
Total, soybeans.....	9.8	2.4	1.6

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
Vegetable oils (including cottonseed and soybean oil):			
Special program (prior year adjustment).....	2.1		
Price support.....	40.6	4.6	34.6
Public Law 480:			
Title I, other stocks.....	59.0	66.0	75.9
Title II, CCC stocks.....	10.2	5.4	8.5
Title IV, other stocks.....	3.3	8.3	13.8
Total, Public Law 480.....	72.5	79.7	98.2
Total, vegetable oils.....	115.2	84.3	132.8
Linseed oil:			
Price support.....		(1)	.2
Commodity export.....			.2
Total, linseed oil.....		(1)	.4
Strategic and critical materials.....	1.6	1.5	.1
Storage facilities.....	.1	.2	
Supply and foreign purchase.....	.4	(1)	(1)
Administrative expense (net).....	38.3	33.0	34.2
Nonadministrative expense (net).....	51.9	25.9	31.8
Interest (net).....	377.6	412.1	305.0
Special milk.....		2.1	
Other commodities:			
Public Law 480:			
Title I, other.....	32.7	40.1	55.1
Title IV, other.....	3.8	1.9	6.9
Total, Public Law 480, other commodities.....	36.5	42.0	62.0
Ocean transportation (Public Law 480):			
Title I.....	147.1	141.7	145.8
Title II (Including title III donations).....	61.9	78.1	69.7
Title IV.....	3.8	4.5	20.3
Total, Public Law 480, ocean transportation.....	212.8	224.3	235.8
Interest (Public Law 480):			
Title I.....	18.2	16.1	6.0
Title IV.....	1.1	2.2	2.8
Total, interest, Public Law 480.....	19.3	18.3	8.8
Amounts recovered or recoverable from other sources, Public Law 480:			
Title I, foreign currencies.....	² 216.0	² 4.7	² 17.2
Title IV, repayments made and due from foreign governments.....	² .1	² 4.7	² 10.7
Total, amounts recoverable from other sources.....	² 216.1	² 9.4	² 27.9
Other special activities:			
Bartered materials for supplemental stockpile.....	99.7	37.7	80.0
Military housing (barter and exchange).....	² 1.6	² 3.0	² 2.3
National Wool Act.....	46.2	32.2	31.5
Cropland conversion.....		² 2.1	
Transfer of funds for research.....			6.8
Rounding.....	² .1	.5	.2
Total, Commodity Credit Corporation.....	4,692.6	5,337.5	5,195.5

See footnotes at end of table.

Commodity Credit Corporation—Continued

[Millions of dollars]

Commodity and program	Realized losses		
	1963	1964	1965 estimate
SUMMARY			
Price support:			
Price support payments.....		461.6	335.0
All other.....	1,059.1	1,257.0	1,057.1
Subtotal, price support.....	1,059.1	1,718.6	1,392.1
Strategic and critical materials.....	1.6	1.5	.1
Rounding.....		.1	.1
Total, price support.....	1,060.7	1,720.2	1,392.3
Commodity export.....	178.0	212.0	121.1
Storage facilities.....	.1	.2	
Supply and foreign purchase.....	.4	(¹)	(¹)
Wheat certificate operations.....			² 75.2
Special feed grain program.....	677.3	646.1	882.5
Wheat stabilization program.....	268.6	114.7	34.0
Cotton equalization payments.....		62.6	483.0
Interest.....	377.6	412.1	305.0
Administrative.....	38.3	33.0	34.2
Nonadministrative.....	51.9	25.9	31.8
Vegetable oils.....	2.1		
Total, price support, export, supply and related programs.....	2,655.0	3,226.7	3,208.7
Other special activities:			
Special milk.....		² .1	
Land use adjustment.....		² 2.1	
Military housing (barter and exchange).....	² 1.6	² 3.0	² 2.3
National Wool Act.....	46.2	32.2	31.5
Transfer of funds for research.....			6.8
Total, other special activities.....	44.6	27.1	36.0
Rounding.....	² .1	.1	
Total, CCC and other special activities.....	2,699.5	3,253.9	3,244.7
Foreign assistance programs:			
Public Law 480:			
Title I.....	1,523.4	1,631.5	1,426.0
Title II.....	215.6	228.2	210.5
Title IV.....	80.2	60.4	204.3
Total, Public Law 480.....	1,819.2	1,920.1	1,840.8
International Wheat Agreement.....	74.2	125.8	30.0
Bartered materials for supplemental stockpile.....	99.7	37.7	80.0
Total, foreign assistance programs.....	1,993.1	2,083.6	1,950.8
Total, all activities.....	4,692.6	5,337.5	5,195.5

¹ Less than \$50,000.² Denotes net gain.

COST OF INTEREST ON UNREIMBURSED LOSSES

Senator MUNDT. I am not sure yet in my own mind how much money CCC is presently paying in interest.

Mr. MURPHY. My recollection is that the last fiscal year, 1964, it was \$454 million, included in the loss.

Senator MUNDT. If we appropriate this full amount, do we reduce that? Does that \$400 million reduce the interest rate?

Mr. MURPHY. Yes, sir. If the appropriation is made, we can reduce our borrowings correspondingly, and as we reduce our borrowings from the Treasury, the amount on which we pay interest goes down.

Senator MUNDT. What rate of interest do you pay—the same rate the Treasury pays the bondholder?

Mr. MURPHY. At the current time, we are paying the Treasury 4 percent.

Mr. BEACH. We are paying it on \$13.8 billion.

INVENTORY REVALUATION

Senator MUNDT. Maybe this was done before I came in, but how can we sort of gaily say that in 1961 we lost \$1 billion, or something over, by revaluation? Can you discuss that a little bit?

Mr. MURPHY. Mr. Beach can explain it a lot better than I.

Mr. BEACH. A very, very short explanation, Senator Mundt, is that the policy up to fiscal year 1961 in respect to the value of inventories on the books of the Commodity Credit Corporation was to include all of the carrying charges that were incurred against the inventory—storage, handling, transportation—as a capital addition to the inventory account. In other words, they become a part of the value of the inventory. The longer you carried the stocks the larger became the amount invested in it on this basis, because it showed all of the accumulations.

The policy was changed as of the end of fiscal year 1961 to recognize those carrying costs as realized losses when they were incurred, rather than keeping them on the books for years as the inventory was kept on the books. So what we did was to write off on that date all of those accumulated carrying charges up to that time as a realized cost and charged it as a realized cost. Then thereafter, beginning with fiscal year 1962 and subsequently, the carrying charges have been called realized losses as they were incurred, and our inventory was valued at acquisition cost: in other words, whatever we had to spend for it.

This ordinarily would be the support level. In other words, if it is \$1 a bushel for corn, that would be your acquisition cost.

Senator MUNDT. It would seem to me that the second bookkeeping procedure would make more sense than the first, because you are getting a highly inflated value and you lost this money simply because your grain went down in price.

How much of your debt for storage that we are talking about here this morning is involved in present inventories of storage?

Mr. BEACH. Of our borrowing, our outstanding borrowing?

INVENTORY INVESTMENT

Senator MUNDT. How much money do you have in inventory now?

Mr. BEACH. We had, as of November 30, \$4,750 million, which represented the acquisition cost value of the inventory only.

Senator MUNDT. Do we have in your report or has it been put in the record where that money is, as far as commodities are concerned?

Mr. BEACH. We would be glad to break them down by commodities.

Senator MUNDT. And by locations? I mean by States or by the types of storage? Is is all Government storage?

Mr. BEACH. No, sir; we don't have it by States. It is primarily warehouse storage, except for corn, and a substantial part of that is in CCC-owned bins, about half of it is warehouse corn.

LOANS

With respect to loans, we had \$2,449 million in loans on November 30, and a substantial part of those would be on commodities stored on the farms. We have a breakdown which we will supply.

Mr. MURPHY. I think we can break this down by the types of storage, that is, warehouse storage, farm storage, and Government bins.

Senator MUNDT. That would be fine.

(The information referred to follows.)

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

Price-support inventories by type of storage and commodity as of Nov. 30, 1964

[All figures in thousands]

Commodity	Unit of measure	Warehouse stored		Bin stored		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Cotton:							
Cotton, extra-long staple.	Bale	132	\$34,808			132	\$34,808
Cotton, upland	do	7,925	1,309,734			7,925	1,309,734
Grains:							
Barley	Bushel	14,703	12,743	10,427	\$9,103	25,130	21,846
Beans, dry edible	Hundredweight	859	6,052			859	6,052
Corn	Bushel	418,213	509,830	421,353	513,629	839,566	1,023,459
Corn products	Pound	997	34			997	34
Flaxseed	Bushel	3,332	9,890			3,332	9,890
Grain sorghum	do	592,385	665,241	4,552	5,103	596,937	670,344
Oats	do	27,384	16,511	5,758	3,472	33,142	19,983
Rice:							
Milled	Hundredweight						
Rough	do	1,141	5,973			1,141	5,973
Rye	Bushel	561	610	82	89	643	699
Soybeans	do	1,915	4,479	9	21	1,924	4,500
Wheat	do	720,637	1,473,822	12,008	24,508	732,645	1,498,330
Bulgur	Pound	250	10			250	10
Wheat flour	do	6,818	381			6,818	381
Wheat, rolled	do	53	2			53	2
Milk and butterfat:							
Butter	do	100,697	58,638			100,697	58,638
Butter oil	do	10,890	8,416			10,890	8,416
Cheese	do	36,976	14,122			36,976	14,122
Milk, dried	do	168,118	25,659			168,118	25,659
Oils and peanuts:							
Cottonseed oil, refined	do	86,238	9,684			86,238	9,684
Cottonseed oil	do						
Refined (salad oil)	do	8,489	1,583			8,489	1,583
Linseed oil	do	73,436	8,693			73,436	8,693
Peanuts, shelled	do	26,095	4,586			26,095	4,586
Tung oil	do	14,818	3,556			14,818	3,556
Exchange commodities:							
Strategic and critical materials in process of transfer to the supplemental stockpile			9,629				9,629
Total			4,194,686		555,925		4,750,611

Farm and warehouse stored loans outstanding, Nov. 30, 1964

[Stated in thousands]

Commodity	Unit of measure	Loans outstanding					
		Farm stored		Warehouse stored		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Corn.....	Bushel.....	496,151	\$530,252	3,754	\$4,142	499,905	\$534,394
Cotton, extra-long staple.....	Bale.....			8	2,022	8	2,022
Cotton, upland.....	do.....			3,426	513,918	3,426	513,918
Peanuts.....	Pound.....	563	62	340,333	37,510	340,896	37,572
Rice.....	Hundred-weight.....	1,568	7,913	2,366	11,708	3,934	19,621
Tobacco.....	Pound.....			1,127,882	794,634	1,127,882	794,634
Wheat.....	Bushel.....	121,495	192,248	72,478	91,422	193,973	283,670
Barley.....	do.....	27,321	21,128	1,672	1,498	28,993	22,626
Grain sorghum.....	do.....	35,739	35,478	49,423	53,364	85,162	88,842
Honey.....	Pound.....	6,835	857			6,835	857
Oats.....	Busbel.....	62,911	35,559	3,284	2,144	66,195	37,703
Rye.....	do.....	2,145	2,173	913	900	3,058	3,073
Tung oil.....	Pound.....			795	191	795	191
Beans, dry edible.....	Hundred-weight.....	56	267	838	6,018	894	6,285
Flaxseed.....	Bushel.....	1,500	4,239	3,989	11,267	5,489	15,506
Rosin.....	Pound.....			336,077	35,253	336,077	35,253
Soybeans.....	Bushel.....	17,820	39,456	6,076	13,370	23,896	52,826
Total.....			869,632		1,579,361		2,448,993

INVENTORY SPOILAGE

Senator HOLLAND. Where in this picture would come the spoilage and the loss by reason of downgrading?

Mr. MURPHY. When this occurs, or when we sell commodities at a lower price because it is going out of condition, that becomes a realized net loss at the time of sale, and it is the difference between the acquisition cost and the price that we get for it when we sell it that becomes a realized loss.

Senator HOLLAND. Is there any single place where we can see, year by year, the amount of loss due to that factor, that is, spoilage or downgrading due to depreciation of quality of the stored products?

Mr. BEACH. Senator Holland, we have a statement that we can insert into the record year by year which shows the quantity, the cost value and proceeds of commodities that were deteriorating at the time they were sold, and the amount of losses taken on those sales. Likewise, we have a statement of the shrinkage and spoilage loss. It is a nominal amount in comparison to the total inventory.

Senator YOUNG. Isn't most of your grain under a uniform grain storage agreement where the people doing the storage guarantee the same quality.

Mr. GODFREY. This is true in the case of wheat, Senator Young, but not in the case of corn. As of November 30, 1964, about half of the corn is stored in Government-owned bins under the uniform storage agreement.

TOTAL AMOUNT OF LOSS

Mr. BEACH. The last figure for 1963, the total amount of loss taken because of sales of deteriorated commodities or shrinkage and spoilage costs was \$8,386,976, on an investment of—

Senator HOLLAND. Will you insert that table into the record, please?

Mr. BEACH. We will be glad to bring it up to date.

Senator HOLLAND. Have you the same facts available for other years?

Mr. BEACH. We have it for fiscal year 1964, and earlier years.

Senator HOLLAND. Suppose you show it for 1961, 1962, 1963, and 1964, please.

We have been starting with the revaluation in 1961, so let's show it for those years. You can show it for more years, if you like, to show the trend, but let's have the picture of that part which I have understood always was a very, very small part of the total losses. But let's have the figures showing it.

Mr. BEACH. We can show along with that, Senator Holland, to make it more informative, the actual inventory at the beginning of the year, which would show the base against which these losses occurred.

Senator HOLLAND. Make a clear showing of that.

If anyone wants to go back further than 1961, it is all right with me. I think that will be sufficient.

(The information referred to follows:)

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

Losses resulting from sale of deteriorated commodities and inventory losses due to shrinkage and spoilage, fiscal year 1961, and beginning inventory

Commodity	Unit	Deteriorated				Shrinkage and spoilage		Total loss	Inventory as of June 30, 1960	
		Quantity	Cost	Proceeds	Loss ¹	Quantity	Loss (cost)		Quantity	Value
Corn.....	Bushel.....	26,381,450	\$55,231,740	\$22,853,758	\$32,377,982	197,532	\$380,395	\$32,758,377	1,158,237,487	\$1,700,006,790
Cotton:	Bale.....						² 173	² 173	44,106	12,142,187
Extra long staple.....	do.....						² 26,040	² 26,040	5,016,542	868,096,958
Upland.....										
Peanuts:	Pound.....					145,153	17,453	17,453	16,643,588	1,570,841
Farmers' stock.....	do.....	175,033	31,040	11,709	19,331	112,484	19,805	38,136	103,762,247	14,752,226
Shelled.....										
Rice:	Hundredweight.....					² 151	² 2,052	31,595	1,575,153	14,883,733
Milled.....	do.....	9,831	101,214	67,567	33,647	20,908	114,586	150,156	5,013,312	24,795,649
Rough.....		20,758	112,531	76,961	35,570	126,376	386,380	3,823,399	1,195,368,923	2,451,576,638
Wheat.....	Bushel.....	3,701,162	10,100,035	6,663,025	3,437,010	5,733	6,336	100,249	71,050,747	67,352,302
Barley.....	do.....	211,690	227,080	133,167	93,913	123	957	957	150,026	969,820
Beans, dry edible.....	Hundredweight.....					35	137	137	66,577	194,804
Flaxseed.....	Bushel.....	3,759,168	11,377,573	6,509,207	4,868,366	11,478	33,065	4,901,431	319,281,492	646,348,630
Grain sorghum.....	Hundredweight.....	13,076,142	1,957,600	1,102,111	855,579	8,100	² 248	855,331	299,886,173	41,712,578
Milk, dry.....	Pound.....	49,208	38,858	27,257	11,601	3,741	2,766	14,367	13,095,917	9,435,117
Oats.....	Bushel.....			76	² 76	2,218	2,978	2,902	5,318,077	5,878,936
Rye.....	do.....					18,336	3,941	3,941	18,592,705	3,878,598
Tung oil.....	Pound.....	8,230	18,262	14,811	3,451	19,899	45,397	48,848	20,380,264	43,424,738
Soybeans.....	Bushel.....									
Total, above commodities.....			79,196,023	37,459,649	41,736,374		985,692	42,722,066		5,906,800,605

¹ The loss shown on dispositions of deteriorated commodities is the difference between cost value and the proceeds received. The realized loss is not necessarily attributable to deterioration alone inasmuch as it cannot be assumed that the total cost would have been received if there had been no deterioration.

² Denotes gain.

Losses resulting from sale of deteriorated commodities and inventory losses due to shrinkage and spoilage, fiscal year 1962, and beginning inventory

Commodity	Unit	Deteriorated			Shrinkage and spoilage		Total loss	Inventory as of June 30, 1960	
		Quantity	Cost	Proceeds	Loss ¹	Quantity	Loss (cost)	Quantity	Value
Corn.....	Bushels.....	34,399,821	\$48,607,335	\$30,355,509	\$18,251,826	1,794,163	\$2,311,216	1,261,015,983	\$1,696,444,456
Peanuts:									
Farmers' stock.....	Pound.....					291,142	29,675	16,545,593	1,700,517
Shelled.....	do.....	79,560	15,936	6,452	9,484	36,465	5,739	70,187,521	11,174,269
Rice:									
Milled.....	Hundredweight.....	256	2,403	402	2,001			76,296	695,428
Rough.....	do.....	2,823	14,324	13,203	1,121	3,899	20,242	21,363	19,939,769
Wheat.....	Bushels.....	2,354,698	5,011,041	4,666,104	344,937	372,930	792,525	1,137,462	2,484,113,775
Wheat flour.....	Pounds.....	91,400	4,634	823	3,811			3,811	3,593
Barley.....	Bushels.....	85,990	112,946	76,830	36,116	25,079	24,041	53,769,441	48,311,454
Beans, dry edible.....	do.....	3,977	27,831	5,965	21,866	793	4,968	1,205,903	7,921,982
Grain sorghum.....	Pounds.....	3,524,071	7,451,264	6,423,860	1,027,404	196,056	410,010	392,310,908	759,997,145
Milk, dried.....	Bushels.....	19,096,901	3,079,199	2,284,460	794,739			307,018,279	44,952,691
Oats.....	do.....	69,852	43,320	39,007	4,313	5,129	3,180	10,358,337	6,407,491
Rye.....	Pounds.....	8,968	9,535	7,081	2,454	1,735	1,863	4,322,721	4,437,012
Tung oil.....	Bushels.....	7,495	17,625	17,339	286	113,475	29,474	4,828,206	1,012,089
Soybeans.....						21	40	1,077	2,008
Total above commodities.....			64,397,393	43,897,035	20,500,358		3,632,973		5,087,113,679

¹ The loss shown on dispositions of deteriorated commodities is the difference between cost value and the proceeds received. The realized loss is not necessarily attributable to deterioration alone inasmuch as it cannot be assumed that the total cost would have been received if there had been no deterioration.

Losses resulting from sale of deteriorated commodities and inventory losses due to shrinkage and spoilage, fiscal year 1963, and beginning inventory

Commodity	Unit	Deteriorated				Shrinkage and spoilage		Total loss	Inventory as of June 30, 1960	
		Quantity	Cost	Proceeds	Loss ¹	Quantity	Loss (cost)		Quantity	Value
Corn.....	Bushel.....	24,059,557	\$27,642,771	\$23,128,298	\$4,514,473	2,041,532	\$2,320,270	\$6,834,743	658,805,193	\$737,324,602
Milk, dried.....	Pounds.....	31,063,011	4,761,296	3,285,766	1,475,530	35,536	84,756	1,475,530	626,051,670	99,232,905
Soybeans.....	Bushel.....	366,105	885,650	836,678	48,972	1,456,100	53,907	133,728	51,631,136	122,851,065
Peanuts, farmers' stock.....	Pound.....	719	7,124	2,157	4,967	4,114	40,750	53,907	179,085	1,771,303
Rice, milled.....	Hundredweight.....	16,692	117,321	94,642	22,679	1,397	9,467	32,146	2,630,602	18,331,898
Beans, dry edible.....	do.....	33,095	98,167	81,416	16,751	18,429	3,654	16,751	4,430,890	862,765
Flaxseed.....	Bushel.....	38,691	7,977	3,191	4,786	2,218	2,500	1,172	34,091,942	29,975,444
Peanuts, shelled.....	Pound.....	138,004	107,323	105,651	1,672	135	699	1,172	135,241	641,848
Barley.....	Bushel.....	48,643	27,979	28,500	2,521	331	196	2,325	16,744,113	10,621,968
Rice, rough.....	Hundredweight.....	17,121	16,249	17,546	2,1,297	757	700	2,597	2,617,323	2,499,563
Oats.....	do.....	2,725,537	3,035,035	2,724,324	310,711	2,295,991	2,347,753	2,37,042	687,100,769	739,833,832
Rye.....	do.....	5,849,669	11,693,691	12,080,205	2,366,514	98,085	188,621	2,177,893	1,096,620,050	2,142,935,749
Wheat.....	do.....	48,400,583	48,400,583	42,368,374	6,032,209	-----	2,354,757	8,386,976	-----	3,906,882,942
Total above commodities.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

¹ The loss shown on dispositions of deteriorated commodities is the difference between cost value and the proceeds received. The realized loss is not necessarily attributable to deterioration alone inasmuch as it cannot be assumed that the total cost would have been received if there had been no deterioration.

² Denotes gain or adjustment of quantity and/or loss recorded in prior years.

Losses resulting from sale of deteriorated commodities and inventory losses due to shrinkage and spoilage, fiscal year 1964, and beginning inventory

Commodity	Unit	Deteriorated			Shrinkage and spoilage		Total loss	Inventory as of June 30, 1963	
		Quantity	Cost	Proceeds	Loss ¹	Quantity	Loss (cost)	Quantity	Value
Barley	Bushel	534,067	\$412,691	\$403,279	\$9,412	8,374	\$7,403	46,975,637	\$40,632,360
Beans, dry edible	Hundredweight	779	5,613	1,150	4,463	5,171	29,196	1,167,649	8,773,377
Corn	Bushel	985,800	1,215,366	1,003,404	211,962	1,482,323	1,756,582	492,124,265	603,676,644
Cotton:	Bale						2 11	15,865	4,350,337
Extra long staple	do						2 51,631	4,135,721	714,465,702
Upland	Bushel						88,102	5,327,184	15,793,357
Flaxseed	Pound	209,499	618,375	595,240	23,135	22,033	94,967	234,426	126,693
Foundation seeds	do					3,248	922	2 169,883	1,751,446
Ghec	Bushel	5,495,099	5,250,123	6,188,491	2 838,368	53,363	51,154	2 887,214	695,687,394
Grain sorghum	Pound	54,747,096	8,126,615	5,210,653	2 915,952			706,773,691	104,267,892
Milk, dried	Bushel	131,932	76,059	66,355	9,704	3,532	2 036	11,740	11,150,720
Oats									
Peanuts:	Pound						2 24,999	6,936,808	740,938
Farmers' stock	do					11,733	167	66,944,036	11,461,601
Shelled									
Rice:									
Milled	Hundredweight					22	2 4,776	14,029	139,011
Rough	do					3,228	17,178	1,796,161	9,562,709
Rye	Bushel	10,741	11,243	10,961	282	1,240	1,276	1,563,326	1,619,826
Soybeans	do	1,216	2,661	1,596	1,065	3,622	8,474	3,181,807	7,435,749
Wheat	do	5,700,262	11,178,926	10,668,536	510,390	240,884	473,931	1,082,464,031	2,167,741,439
Total, above commodities			26,897,672	24,149,675	2,747,997		2,331,676	5,079,673	4,399,377,195

² Denotes gain or adjustment of quantity and/or loss recorded in prior years.

¹ The loss shown on dispositions of deteriorated commodities is the difference between cost value and the proceeds received. The realized loss is not necessarily attributable to deterioration alone inasmuch as it cannot be assumed that the total cost would have been received if there had been no deterioration.

REIMBURSEMENT FOR NET REALIZED LOSSES

Senator HOLLAND. Proceed, Mr. Godfrey.

Mr. GODFREY. First, I would like to discuss reimbursement for net realized losses.

At the time the 1965 budget was prepared assuming enactment of appropriations requested, it appeared that the Corporation's borrowing authority would be sufficient to carry out authorized programs; however, current projections indicate that the available borrowing authority will be exhausted very shortly.

A combination of circumstances which could not be anticipated has since then adversely affected the amount and timing of the use of funds, resulting in unusually heavy demands on the borrowing authority. For example:

1. Congressional action on 1965 appropriation requests resulted in about \$618 million less funds being made available to the Corporation than anticipated. Congress appropriated \$478 million less funds than requested in the budget as amended. Congress also did not approve interest-free borrowings to cover losses realized but not reimbursed which caused expenditures for interest to exceed the estimates by \$140 million.

2. The 1965 budget assumed that cotton program costs would decrease \$200 million based on new legislation including an acreage diversion program for the 1964 crop. New cotton legislation was enacted late in the season and did not include an acreage diversion program. As a result, the participation in the new domestic allotment program was lower than expected. The increased funds are needed primarily to meet the added cost of equalization and price-support payments. This will increase expenditures by \$543 million over the budget estimate.

3. An increase in expenditures for feed grains. Most of the increase is for advance payments due to an increase in estimated acreage to be diverted—from 25 to 35 million acres—under the 1965 program. The balance of the increase reflects reduced sales from CCC stocks since higher levels of corn stocks held by other than CCC are available to meet anticipated requirements. This will increase expenditures \$240 million over the 1965 budget estimate.

ASSUMED AVAILABLE BORROWING AUTHORITY

The 1965 budget assumed available borrowing authority as of June 30, 1964, totaling \$496 million. Primarily as a result of smaller export sales of wheat and smaller sales of feed grains and increased tobacco loans, the actual balance of available borrowing authority as of June 30, 1964, was \$125 million, a reduction of \$371 million.

Senator HOLLAND. Have you shown anywhere the reduction in the export sales of wheat and the smaller sales of feed grains and the increased tobacco loans by separate items?

Mr. GODFREY. No, sir; we haven't. We can provide this for you, if you like.

Senator HOLLAND. I wish you would provide that for the record.

Mr. GODFREY. We will, sir.

(The information requested follows:)

COMMODITY CREDIT CORPORATION

Comparison of the status of \$14.5 billion borrowing authority, fiscal year 1964

[In millions of dollars]

Item	In 1965 budget	1964 actual	Change
Balance available.....	496	125	-371
Composition of major changes in net use of borrowing power:			
1. Cotton, upland.....	432	570	+138
2. Feed grains and products (total).....	(1,113)	(1,338)	(+225)
Corn.....	832	1,008	+176
Grain sorghum.....	214	244	+30
Barley.....	48	41	-7
Oats.....	14	23	+27
Corn products.....	23	22	-1
3. Tobacco.....	34	241	+207
4. Wheat and products (total).....	(1,381)	(1,93)	(+283)
Wheat.....	1,570	1,212	+358
Wheat flour.....	164	91	-73
Rolled wheat.....	10	7	-3
Bulgur.....	15	16	+1
5. Cotton, extra long staple.....	18	26	+8
6. Rice.....	65	52	-13
7. Soybeans.....	9	31	+22
8. Flaxseed.....	14	18	+22
9. Dairy products.....	305	355	+50
10. Other commodities.....	51	65	+14
Subtotal, commodities.....	1,642	2,598	+956
11. All other noncommodity programs:			
Change in working capital.....	17	192	-109
Public Law 480:			
Title I.....	1,609	1,415	-194
Title II.....	246	228	-18
Title IV.....	225	60	-165
International Wheat Agreement.....	101	126	+25
Bartered materials.....	86	37	-49
Other noncommodity programs.....	303	271	-32
Subtotal.....	4,229	4,643	+414
12. Unused funds advanced to CCC:			
Research (sec. 32, not in budget).....			-15
ACP and other programs using CCC sight drafts.....			-28
Increased use of borrowing authority reducing the balance available.....			+371

¹ Denotes net receipt.

ESTIMATED WHEAT SALES

Senator YOUNG. What are your expected sales of wheat for the current fiscal year?

Mr. GODFREY. For the current fiscal year, the estimates are being continually reviewed. We had thought it would be in the neighborhood of 120 to 150 million bushels. There is some indication now that it may not go this high. We are hoping it will.

Senator YOUNG. I mean all exports.

Mr. GODFREY. This is for dollars that I am speaking of now, dollar exports.

Senator YOUNG. Both under Public Law 480?

Mr. GODFREY. No, sir; just dollar exports. The total exports are estimated, both dollar and Public Law 480, at 675 million bushels.

Senator YOUNG. How does this compare with last year?

Mr. GODFREY. About 860 million, if I recall correctly.

Mr. BEACH. 860 million; yes, sir.

Senator MUNDT. Is that decrease in the dollar sales or the Public Law 480 sales?

Mr. GODFREY. A decrease in dollar sales, a considerable decrease there. The whole increase is made up in dollar sales.

Senator HOLLAND. Proceed, please.

PROPOSED SUPPLEMENTAL REQUEST

Mr. GODFREY. It is requested that a supplemental appropriation to reimburse CCC for realized losses be provided in the amount of \$1.181 million. This amount includes \$100 million of unrecovered 1962 realized losses and \$1,081 million of unrecovered 1963 losses. The proposed supplemental will make it possible to continue essential Commodity Credit Corporation operations consistent with current estimates and will allow for an operating margin for contingencies. This margin should be sufficient to handle any unforeseen developments resulting in more expenditures or less receipts than now expected in the current fiscal year.

PUBLIC LAW 480

Now I would like to discuss the Public Law 480 supplemental. The supplemental of \$506 million is required to place financing of costs under Public Law 480 on a current basis and to enable the Commodity Credit Corporation to carry out its mandatory price-support programs in fiscal year 1965. Congressional action on the 1962, 1963, 1964, and 1965 appropriations placed financing of Public Law 480, except title IV, on a current or "pay-as-you-go" basis, in order to relieve the Corporation of the burden of financing these programs from its borrowing authority and to reduce unnecessary interest costs.

The 1965 appropriation for title I of Public Law 480 costs was \$281 million less than the request in the budget. This is about the same as the supplemental for title I requirements amounting to \$273 million.

Financing of the amounts due from foreign governments under title IV, which are to be paid on an installment basis up to 20 years, places a heavy burden on Commodity Credit Corporation borrowing authority. The supplemental request for title IV for \$233 million would place financing of title IV costs on a current basis.

INTERNATIONAL WHEAT AGREEMENT

A supplemental of \$55 million is also required to place financing of the International Wheat Agreement costs on a current basis. The 1965 budget assumed that the domestic market price would fall below the competitive world price. However, new wheat legislation enacted in April 1964 resulted in a price increase for wheat and increased costs of \$30 million over the budget estimate. In addition, unrecovered 1964 costs were \$25 million more than estimated in the budget. This, together with the increase of \$30 million in the estimate of 1965 costs, makes the total supplemental for International Wheat Agreement requirements amount to \$55 million.

WHEAT PRICE

Senator YOUNG. I don't understand you when you say:

However, new wheat legislation enacted in April 1964 resulted in a price increase for wheat and increased costs of \$30 million over the budget estimate.

The cash price of wheat was greatly reduced. Would you explain that?

Mr. GODFREY. At the time the budget estimate was submitted, Senator Young, the wheat program in effect for the 1964 crop, provided for price support at 50 percent of parity which would have provided for a price support level of \$1.26 on a national average with an estimated farm level price of about the same, because many farmers would not comply with their acreage allotments. With passage of the wheat bill last year, the price support level—exclusive of the value of marketing certificates—was raised to \$1.30 on a national level. Most farmers participated in the program in order to get the value of the certificates. So the farm price then rose from our estimate in the budget of about \$1.25 to about \$1.35 per bushel. In addition the new program provided that export certificates valued at 25 cents per bushel be issued to participating producers.

SAVINGS DUE TO ENACTMENT OF WHEAT LEGISLATION

Senator YOUNG. How much lower do you expect the cost of the 1964 wheat program to be, than the price support costs for the year before, under the old program?

What I am trying to get at is this. Will there be any savings as a result of the enactment of the wheat bill?

Mr. GODFREY. Yes, sir; there were savings as a result of the enactment in actual costs from the previous year. We will have to furnish this for the record. We will be glad to do this.

Senator YOUNG. All right.

Mr. GODFREY. I don't have that figure right at the tip of my tongue. I don't remember it.

(The information requested follows.)

Wheat—Realized loss and CCC cost, including Public Law 480 and International Wheat Agreement—1963 and 1964 programs

	<i>Millions</i>
1964 fiscal year (1963 program), actual-----	\$1, 555
1965 fiscal year (1964 program), estimated-----	1, 175
Difference-----	<u><u>-380</u></u>

NEED FOR SUPPLEMENTAL

Senator HOLLAND. You may proceed.

Mr. GODFREY. It is estimated that the borrowing authority of the Commodity Credit Corporation, which by law is used to finance costs of Public Law 480 and International Wheat Agreement programs in excess of appropriations for such programs, will not be sufficient to carry out its mandatory operations unless funds are provided under these supplementals.

We will be glad to answer any questions.

Senator MUNDT. Mr. Chairman-----

Senator HOLLAND. Senator Mundt?

Senator MUNDT. I wonder, Mr. Murphy, whether farmers write to you people or just to Senators and Congressmen, about their complaints about the CCC going into the market and selling in competition with them, that you ought to sell your commodities a little higher at harvest time so that the grain handlers can get a better cash price. Do you get those kinds of complaints or do they just come to us?

Mr. MURPHY. We get some of those complaints.

CCC WHEAT SALES POLICY

Senator MUNDT. What is the latitude that CCC has for determining at what price they are going to sell their stored wheat? It isn't a wide-open choice, is it?

Mr. MURPHY. On the top side, I think it is wide open. I think so far as the law is concerned, we can refuse to sell at all or we can add 50 cents a bushel or any other number, so far as the maximum sale price is concerned. There are restrictions on the minimum sales price, however. As I recall, we are permitted to sell wheat for unrestricted use for 105 percent of the loan rate, plus carrying charges. The rule varies from commodity to commodity.

Senator MUNDT. Let's take wheat.

Mr. MURPHY. That has been a rather acute problem during the last year. When the legislation providing for certificates was under consideration in the Congress in the last year you may recall there was some objection to the certificates on the ground that this, plus the cost of the wheat, itself, would increase the cost of wheat to millers to such an extent that it would result in an increase in the price of flour and an increase in the price of bread.

In the course of consideration of that legislation, the Department, I think, made it rather clear to the Congress that it did not expect that the total price including certificates would increase the cost of wheat sufficiently to justify an increase in the price of bread. We had regarded that as, among other things, a commitment on which the Congress relied in enacting the legislation. So we have felt constrained to try to keep the price of wheat as influenced by our sales price on a stable and even keel. The price has been somewhat above the loan rate for most kinds of wheat in most parts of the country almost all the time since then.

PROBLEM OF TRANSITION

There was a difficult problem of transition at the beginning of this marketing year, the 1st of last July, where the market price of the wheat, itself, had dropped from near the \$1.82 support level, of the preceding year, down to a price related to the new \$1.30 loan rate—and the adjustment here had to make room for the certificate on wheat milled for domestic uses at 70 cents a bushel.

One thing that most millers did, naturally, was to get their inventories of the higher priced wheat as low as they could. This, in turn, ran them into a period of scarcity in the beginning of this marketing year. During that time, we did make Commodity Credit Corporation stocks available at the statutory price of 105 percent, plus carrying charges, and there were fairly substantial sales in the early months of

this marketing year. Most of the wheat that was sold was the Hard Red Winter wheat, and for a couple of months there was a fair amount of Spring wheat.

Senator MUNDT. Let me ask you, if you had decided to make a little profit on your wheat, which you have authority to do, at 115 percent, plus carrying charges, is it your judgment that that would have then increased the price of bread? Is that the reason you didn't do it?

Mr. MURPHY. It is my judgment that it would have substantially increased the chances that the price of bread would be increased. There was, actually, a substantial increase in the quoted price of flour in July or August of last year, as I recall, and while that represented something in the nature of a seasonal pattern, it took place earlier than it had before. We did not feel that that increase really was warranted by the price of wheat, plus what millers had had to pay for certificates, and, in fact, after their increase was put into effect, it dropped down rather quickly. In fact, I think the whole sustained increase in the price of flour has taken place, according to my information, with no general increase in the price of bread.

It is my feeling that if the price of wheat, including certificates, had been much higher, there would have been considerable justification for a higher price for bread.

DISCONTINUED SALE OF HARD RED SPRING WHEAT

Senator YOUNG. You stopped all sales of Hard Red Spring wheat held by CCC, did you not?

Mr. MURPHY. We did, Senator. According to the best of my recollection, it was in October.

Senator YOUNG. How long does that order continue in effect?

Mr. MURPHY. Indefinite; yes, sir. I have heard no discussion of that subject recently, which is about the best report I get on anything, to hear nothing about it. I assume it must be working satisfactorily at the present time.

Senator YOUNG. I note that the CCC sales of Hard Red Winter wheat have increased, though. Is that correct?

Mr. MURPHY. It would be my impression that there has not been much increased sales in Hard Red Winter. While the wheats are substitutable to some extent, as I understand it, they are used for different purposes, generally.

Senator YOUNG. I doubt the wisdom of this decision. I think it would have been better, perhaps, to have raised the selling price than to prohibit sales completely. We have more Hard Red Spring wheat in storage in North Dakota now than in all history. To prohibit sales entirely doesn't seem to me to be good judgment.

Mr. MURPHY. The merits on that question, Senator, were not altogether one sided in my judgment, even at that time. It is true that at the time that decision was taken it was in the harvest season, and we do try to exercise particular care in the harvest season not to sell our stocks in a manner that competes with the current marketing of the current crop. Perhaps I should say "competes improperly." But at any rate, we do try to avoid depressing prices during the harvest season to the extent we can, consistent with our other obligations.

WISDOM OF DECISION

Senator YOUNG. Wouldn't it have been better to have increased the CCC selling price rather than to prohibit sales completely?

Mr. MURPHY. Our judgment, Senator, was that it would be better to cut off sales than it would be to increase the selling price. We considered both alternatives. Our judgment might well have been wrong, but it was our judgment.

Mr. GODFREY. There is one other factor, Senator Young, which is involved here, and that is that if we had increased our selling price of wheat from CCC stocks, the cost of the wheat to millers, plus the cost of the certificates, would have been higher than in the preceding year, or could have been higher than in the preceding years, and the wheat program, itself, or the administrators of the sales policies, would be blamed for this increased cost. However, by withholding the CCC wheat from the market, the free market was permitted to operate and the program itself could not be blamed for any resultant increases.

Senator YOUNG. The millers could still buy Hard Red Winter wheat at the formula price of 105 percent of the price support plus carrying charges?

Mr. GODFREY. 105 percent is the statutory minimum; yes, sir.

Senator YOUNG. The millers could still buy Hard Red Winter wheat for this price?

Mr. GODFREY. Yes, sir. But transportation was involved on that in addition to the cost of the wheat.

Senator YOUNG. They couldn't under any circumstances buy CCC holdings of Hard Red Spring wheat, however.

Mr. MURPHY. But they could buy Hard Red Spring wheat from the 1964 crop in the free market. At the time that CCC discontinued its sales, and ever since, I believe, this wheat has been available in adequate supplies.

Senator YOUNG. I hope you don't continue this policy forever. I can understand that some people are interested in receiving storage payments for their wheat. This is good business, but this doesn't solve the wheat surplus problem.

Senator PROXMIRE. Mr. Chairman——

Senator HOLLAND. Senator Proxmire?

SPECIAL MILK PROGRAM

Senator PROXMIRE. In 1963, the 1964 budget on school milk was \$100 million, as I recall, and as a result it was necessary to cut back Federal participation by 2 percent, on school milk. Then in 1964, for the 1965 budget, as I understand it, the Department asked for \$106 million and the administration finally decided \$100 million.

We appropriated \$103 million, finally. It seemed on the basis of the fact that the number of schoolchildren participating in the program is increasing greatly, that there would have to be a cutback because \$103 million in the current fiscal year is inadequate. I am wondering what your experience has been since this \$103,000,000 limitation has gone into effect. Has there been the cutback we expected? In other words, the reduction in Federal participation of 2 or 3 percent?

Mr. GRANT. I recall, Senator, in the 1964 fiscal year action was taken to make, as I recall, a 2-percent cutback in the amounts reimbursed to

States. However, most of the claims were subsequently paid in full for 1964. The Congress increased the appropriation in 1965 to \$103 million. I have not heard of any cutback in the fiscal year 1965. I would have to verify this for the record, but I don't believe we have made any cutback in reimbursements this year.

Senator PROXMIRE. Will you verify that? It would be helpful if you would.

Mr. GRANT. Yes, sir.

Senator PROXMIRE. I am deeply concerned with what I understand is the proposal for only \$100 million by the administration for the school milk program for the coming year.

It is hard for me to understand how they can possibly justify that appropriation cutback in view of this growth in school population and growth in participation and the overwhelming approval of this program.

Mr. GRANT. This is related to the question of the amounts which the children, local schools, or State agencies contribute to the program, and the necessity to hold down Federal expenditures. The estimate for 1966 is the same amount as was recommended in the 1965 budget.

CCC MILK PURCHASES TO SUPPORT PRICE

Senator PROXMIRE. You see, the converse of this is that if the Federal Government doesn't buy this milk it is necessary for the CCC to step in and buy milk for price-support purposes, store the milk, and it is not used, instead of having it go to schoolchildren. It seems to me that looking at it overall this is a very false economy. We aren't really saving the money. What you are doing is not providing the funds for milk that otherwise children might utilize, and the milk is going into storage. That is a partial oversimplification, I know, because it is possible that the local authorities may come up with more money.

Mr. GRANT. I don't think there is any clear-cut answer as to what the effect would be on the CCC purchases if this item is held to \$100 million.

Senator PROXMIRE. Certainly there is a tendency.

Mr. GRANT. I think there is.

Senator PROXMIRE. That is, to increase the CCC purchases. Thank you.

(The information requested follows:)

The 2-percent reduction in reimbursement for claims submitted was continued at the beginning of the fiscal year 1965. Beginning in September, claims were being paid in the amount of 95 percent of the amounts requested, resulting in a 5-percent reduction.

GENERAL STATEMENT

Senator YARBOROUGH. Mr. Chairman?

Senator HOLLAND. Senator Yarborough.

Senator YARBOROUGH. Mr. Chairman, I will withhold questioning at this time and read the record, because I have been unavoidably absent. Today was the 10th anniversary of Senator Lister Hill being chairman of the Labor and Public Welfare Committee. Being a member of that committee, I felt that I should be present.

But I will read the record to make up this gap in time while Mr. Godfrey has been testifying and while these questions have been asked.

NEED FOR FUNDS

Senator HOLLAND. You will find it an interesting record and I believe the witnesses of the Department have been completely frank with us. I think that none of us, however, are completely satisfied with the situation. At the same time, it is amply clear that the CCC does need heavy supplemental funds in order to operate freely from now until the end of the fiscal year.

PUBLIC LAW 480 SUPPLEMENTAL

The first question is this: In regard to the supplemental budget request for Public Law 480, you indicate in your statement that financing of these expenses has been placed on a pay-as-you-go basis except for title IV. The committee and the Congress have generally gone along with the principle of financing the expenses incurred under these various titles of Public Law 480 on a regular appropriation basis. Again, you have made a point about the fact that the Congress did not allow the full amount of the regular estimate for sales of surplus commodities under title I. As I recall, we have been dealing with expenses for Public Law 480 operations on a current basis for several years, but also have been requested to appropriate for unrecovered prior year amounts in connection with the regular annual appropriation bill each year. I wish you would offer for the record a table which shows for the past 5 fiscal years the budget estimate, the amount appropriated, and the actual expenditure under title I for sales of surplus commodities for foreign currencies. You can do that?

Mr. GODFREY. Yes, sir.

(The material requested follows:)

COMMODITY CREDIT CORPORATION

Summary of appropriation requests compared with appropriations and costs recoverable from appropriations, Public Law 480, title I, fiscal years 1961 through 1965

[In millions]

	Budget request	Appropriation	Actual, through June 30, 1964	
			Costs recoverable from appropriations	Unrecovered costs, end of year
Fiscal year 1961 supplemental:				
For 1961 costs (included in 1962 act but available June 30, 1961):				
Unrecovered prior year costs.....	\$177.0	\$177.0	\$177.0	-----
Current year costs.....	1,176.0	1,176.0	1,355.7	-----
Total.....	1,353.0	1,353.0	1,532.7	\$179.7
Fiscal year 1962 amended:				
Unrecovered prior year costs.....			179.7	-----
Current year costs (1st year of appropriation on an advance basis).....	1,310.5	1,250.5	1,404.8	-----
Total.....	1,310.5	1,250.5	1,584.5	334.0
Fiscal year 1963:				
Uncovered prior years' costs for which appropriations were not sufficient:				
1961.....	212.4		179.7	-----
1962.....			154.3	-----
Current year costs.....	1,080.6	1,080.6	1,525.5	-----
Subtotal, 1963.....	1,293.0	1,080.6	1,859.5	-----
Fiscal year 1963 supplemental: Additional estimated 1963 costs.....	295.8	1508.2		-----
Total.....	1,588.8	1,588.8	1,859.5	270.7
Fiscal year 1964 amended:				
Unrecovered prior year costs.....	270.7	270.7	270.7	-----
Current year costs.....	1,181.3	1,181.3	1,636.3	-----
Total.....	1,452.0	1,452.0	1,907.0	455.0
Fiscal year 1965 estimate:				
Unrecovered prior year costs.....	612.0	612.0	455.0	-----
Current year costs.....	1,281.0	1,000.0	1,430.0	-----
Total.....	1,893.0	1,612.0	1,885.0	² 273.0

¹ Consists of—

Estimated unrecovered prior year costs requested in budget but eliminated in appropriation. \$212.4

Additional estimated 1963 costs..... 295.8

Total..... 508.2

² Proposed supplemental.

CURRENT FISCAL YEAR EXPENSES

Senator HOLLAND. Also, do you have with you a current projection of what the expenses during the current fiscal year will be under title I sales by commodities? That is, fiscal 1965?

Mr. GODFREY. Yes, sir.

Senator HOLLAND. Will you place that in the record?

Mr. GODFREY. Yes, sir.

(The information referred to follows:)

Fiscal year 1965—Title I, Public Law 480

Commodity	Unit of measure	CCC stocks		Private stocks		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Feed grains:							
Corn	Bushel	8,000,000	\$14,800,000	16,000,000	\$22,400,000	24,000,000	\$37,200,000
Sorghums, grain	do	2,500,000	4,600,000			2,500,000	4,600,000
Barley	do	6,000,000	10,800,000			6,000,000	10,800,000
Total, feed grain							
Wheat	do	25,000,000	30,200,000	370,000,000	22,400,000	395,000,000	52,600,000
Rice, milled equivalent	Hundredweight		91,300,000	13,500,000	740,000,000	13,500,000	\$31,300,000
Beans, dry edible	do			25,000	105,975,000	25,000	105,975,000
Cotton:					195,000		195,000
Extra-long staple	Bale	25,000	6,975,000			25,000	6,975,000
Upland	do	375,000	69,400,000	375,000	56,250,000	750,000	125,650,000
Tobacco	Pound			37,100,000	25,970,000	37,100,000	25,970,000
Butter and products	do	13,000,000	7,930,000			13,000,000	7,930,000
Cheese	do	3,000,000	1,200,000			3,000,000	1,200,000
Milk, nonfat dry	do	17,000,000	2,652,000			17,000,000	2,652,000
Vegetable oils	do			690,000,000	75,900,000	690,000,000	75,900,000
Miscellaneous	do				55,100,000		55,100,000
Total commodity costs			209,657,000		1,081,790,000		1,291,447,000
Ocean transportation (metric tons)—							
On tonnage shipped under agreements signed prior to Jan. 1, 1965—5,462,000, at \$24.84							135,651,000
On tonnage shipped under agreements signed after Dec. 31, 1964—964,000, at \$10.50							10,122,000
Total ocean transportation							145,773,000
Total, expenses of shipments							1,437,220,000
Interest expense on unrecovered balance							6,000,584
Total expenses							1,443,220,584
Receipts from sales of foreign currencies and loan repayments							—13,188,000
Total current year costs recoverable from appropriation							1,430,032,584
Unrecovered 1964 costs paid from 1965 funds							454,967,416
Total estimate							1,885,000,000
Total appropriation							—1,612,000,000
Unrecovered 1965 costs included in supplemental							273,000,000

LONG-TERM SALE FOR DOLLARS

Senator HOLLAND. In regard to Title IV: Long-Term Supply Contracts, you originally requested \$55 million. Congress approved \$35 million. You are now proposing a supplemental of \$233 million. In the third paragraph, on page 4 of your statement, the only justification you provide for placing the cost of title IV expenses on a current basis, in this large amount, is that you state that under the installment basis these sales, which involve periods of up to 20 years, place a heavy burden on the CCC's borrowing authority. What is the significance of this statement, Mr. Godfrey, and how much is the current burden on borrowing authority of the Corporation from this and prior years?

Before you answer that question, it is very apparent that there has been some very substantial change in this particular field since your annual request for 1965 and that this very large supplemental request shows such change. I think our question is really to bring out what is that change and why is it so large and to show what the current borrowing authority of the Corporation, from this and prior years, has been.

Mr. MURPHY. We will be glad to provide an answer to that for the record, Senator Holland. I am sure with time, though, it results primarily from a shift of sales from title I to title IV. Speaking generally, we regard it as desirable to shift from title I to title IV whenever we can because we get dollars under title IV instead of the foreign currency. Part of this, I am reasonably sure, you will find due to the fact that certain countries were made ineligible for title I sales by legislation enacted after our budget was submitted last year. While they were made ineligible for title I sales, they were made eligible for title IV sales. So there are some transactions of that kind which would increase the amount for title IV.

Senator HOLLAND. The question was: How much is the current burden upon borrowing authority of the Corporation from this in prior years? You can show that for the record?

Mr. MURPHY. Yes, sir.

Mr. BEACH. \$125 million to 1964 and \$233 million, Mr. Chairman, through June 30, 1965.

TOTAL SUPPLEMENTAL REQUEST

Senator HOLLAND. That is the total of your supplemental request?

Mr. BEACH. Yes, sir. This is the total amount that we estimate will be due on title IV sales, which are credit sales, at the end of June 1965.

Senator HOLLAND. In other words, you think the \$233 million will be all that will be required?

Mr. BEACH. Yes, sir.

Senator HOLLAND. When were those sales made?

Mr. BEACH. Most of them would have been made this year—in fiscal year 1965. I don't have that breakdown with me.

Senator HOLLAND. I think we would be very interested to see that whole operation very clearly by the tables which you put in, because

here is such a large change in this particular picture as to require a very clear showing of why it occurred.

Mr. BEACH. I would like to correct what I said. I said most would be in 1965. That is not so. This is an accumulation of all credit sales that we will have made through June 30, 1965.

Senator HOLLAND. Why the great disparity between your estimate which occurred at the hearing on the annual budget, at which time you said you would need \$55 million, and now, after getting \$35 million, you are asking for \$233 million as a supplemental for this year, 1965? You think that will just carry you through June of this year. Why the great change? That is something you can show for the record.

Mr. BEACH. All right.

SALES AGREEMENTS

Senator HOLLAND. Have you developed or have you in process of development firm sales agreements which will require a total of \$268 million for the expenses of this program in fiscal 1965?

Mr. GODFREY. They either have been developed or they are in the process of being developed. But it would not be chargeable all to fiscal 1965. This statement that you requested previously will show the change in accounting processes to where we are asking for reimbursement of all unrecovered title IV expenses for shipments made in prior years as well as for the full reimbursement for net expenditures on shipments during the current year.

Senator HOLLAND. How much of this total of \$233 million supplemental is represented by accumulations in prior years?

Mr. BEACH. About \$125 million.

Senator HOLLAND. Let's show this all very clearly for the record, because it is a very puzzling thing to us to see how this picture has changed since we had this hearing of last summer, whenever it was, in July or August.

Mr. BEACH. Yes, sir.

(The information referred to follows:)

STATEMENT ON PUBLIC LAW 480 FINANCING, TITLE IV

Since fiscal year 1962 Public Law 480, title IV costs to be received from foreign governments, by installments as long as 20 years, have been financed by CCC borrowing authority.

Generally, appropriations have only been requested for the difference between the export prices and the CCC costs less any estimated installment repayments during the fiscal year. Title IV programing has progressively increased since the program was activated in 1962. The Corporation is required to bear the heavy burden of financing the amounts to be repaid by foreign governments over an extended period, up to 20 years. There is no specific indication in Public Law 480 legislative authority to require the Corporation to finance such costs over this extended period.

COMMODITY CREDIT CORPORATION

Long-term credit and supply contracts, Public Law 480, title IV—Composition of amounts to be recovered from foreign governments

[In thousands of dollars]

	Fiscal years			
	1962 actual	1963 actual	1964 actual	1965 estimate
Balance outstanding, start of year:				
Principal.....		19,360	79,268	124,027
Interest.....		17	1,116	1,550
Total.....		19,377	80,384	125,577
Costs incurred during year:				
Principal.....	19,360	60,012	47,657	170,650
Interest.....	17	1,133	2,207	2,800
Total.....	19,377	61,145	49,864	173,450
Repayments by foreign governments:				
Principal.....		104	2,898	7,900
Interest.....		34	1,773	2,800
Total.....		138	4,671	10,700
Balance due from foreign governments, end of year:				
Principal.....	19,360	79,268	124,027	286,777
Interest.....	17	1,116	1,550	1,550
Total.....	19,377	80,384	125,577	¹ 288,327
1963 and 1964 unused funds available.....				—19,927
1965 appropriation available.....				—35,000
Total funds available.....				—54,927
Estimated net costs financed by CCC borrowing authority as of June 30, 1965.....				233,400

¹ The foreign governments would pay these amounts to the Corporation over the contract period. The subsequent appropriations will be reduced by the amount of the repayments.

INTERNATIONAL WHEAT AGREEMENT

Senator HOLLAND. Now, for the International Wheat Agreement, in regard to the International Wheat Agreement, when does the present agreement expire, and what are the provisions of that agreement in terms of subsidy payments?

Mr. GODFREY. The present agreement will expire at the end of this year.

Senator HOLLAND. The fiscal year or the calendar year?

Mr. GODFREY. July 31, 1965. There is a meeting of the organizing committee and the International Wheat Agreement Committee to be held very shortly.

In terms of the agreement, it provides minimum and maximum prices, and the reimbursements here are for the sales that have been made within the terms of the agreement, or reimbursement for export payments or subsidy on sales that have been made within the terms of the agreement.

Senator HOLLAND. Do you mean you sold under the agreement at prices less than your acquisition prices plus storage?

Mr. GODFREY. Yes, sir. The world or export price is less than the U.S. domestic price.

Senator HOLLAND. And that was required by terms of the agreement?

Mr. GODFREY. Yes, sir.

Senator HOLLAND. I yield to Senator Young.

POSITION OF ADMINISTRATION

Senator YOUNG. Does the present administration feel that it would be desirable to extend the International Wheat Agreement? Or do you believe it would be just as well to let it expire? Has the administration taken a position?

Mr. MURPHY. Yes, sir. We took the position in the last meeting that was held in London, I think it was in November, to support the 1-year extension definitely, with the possibility of a second year being added by an affirmative vote of both the exporters and the importers.

Senator YOUNG. What losses would there be to the Nation as a whole if we let it expire? What would be the disadvantage?

Mr. MURPHY. Senator, first, let me say this is a question about which there is a very considerable difference of opinion among the experts on this subject. I should say among our departmental experts on this subject. Since I am not an expert on this subject, I couldn't give you a very authoritative answer. This is a question that Secretary Freeman and I have been asking a good many times in recent weeks, and I am not sure that we have gotten an answer that is overwhelmingly convincing either way.

THEORY OF WHEAT AGREEMENT

The theory is that it stabilizes the price for most of the international commercial trade in wheat. It fixes a range with a minimum price and a maximum price, and the importing countries undertake an obligation to purchase within that range, and the exporting countries undertake to make wheat available without going above the top of the range. We have had very few experiences where the price minimum or maximum actually operated to hold the price of wheat down on the one hand or to increase it on the other. It tends to bring stability into international trade in wheat. Whether it is a plus or minus for us, all things considered in the present circumstances we do not regard as a clearly answered question by any means. One of the difficulties that we have with a firm commitment and extension for more than 1 year is the fact that our current wheat legislation expires with this year's crop and the kind of undertaking that we can make to comply with the International Agreement in the future, after that marketing year which applies to that crop, is a matter that we are not altogether certain and comfortable about.

IMPACT OF TARIFF DISCUSSIONS

Senator MUNDT. What impact, if any, will this Kennedy round of tariff discussions and the Common Market activities in France and Germany have on this International Wheat Agreement?

Mr. MURPHY. It has been generally contemplated that we would move from the International Wheat Agreement into a grains agreement that would replace the International Wheat Agreement, which would apply to grains in addition to wheat, which would fix the terms for international trade in those grains. We have had a very considerable difference of opinion, or bone of contention, with the Com-

mon Market countries in this regard because we have felt that it was essential to have some guarantees of access to that market in quantitative terms, particularly because of the policy they have followed about establishing a relatively high internal price for grains, which will have the effect of encouraging the production of grains within the Common Market countries, especially in France. The terms that might be included in a general grains agreement of this kind are by no means agreed upon or even spelled out very clearly, Senator.

Senator MUNDT. I was wondering if one of the reasons you were thinking about a 1-year extension was because you had so many imponderables.

Mr. MURPHY. Yes, sir. I was about to say that that is one of the reasons we were thinking only about a 1-year extension, because we feel we will probably be in a better negotiating position if we have more freedom of action which we would have at the expiration of 1 year.

Senator MUNDT. Thank you.

CLEAR JUSTIFICATION OF REQUEST URGED

Senator HOLLAND. The situation on the International Wheat Agreement Supplement is another one that I think calls for a very clear explanation in the record. As I recall, the regular appropriation requested last summer was around \$32 million, or \$31,838,000, and the whole amount was supplied in the appropriation bill.

Now you are asking for an additional supplemental of \$55 million. I note from the statement of Mr. Godfrey that you say that \$30 million of that is an increase in the budget for this year, and that unrecovered 1964 costs of \$25 million are added, making a total of \$55 million.

I wish you would give us a clear picture on that. It is not clear from the record so far why that huge increase after the full amount of the budget request was granted.

Mr. MURPHY. We will be glad to clarify that for the record, Senator. In the meantime, I will be glad if I can say now that this represents the export subsidy on commercial sales of wheat under the International Wheat Agreement. The increase in expenditures in the last fiscal year, I am sure we will find, result from the fact that our dollar exports were larger than we anticipated at the time we testified, or at the time the budget was submitted. And since the dollar exports were larger, it was necessary to pay the export subsidy on a larger quantity of wheat.

The additional funds for the current fiscal year I think are needed for quite a different kind of reason. That is because at the time the budget was submitted last year, it was submitted on the basis of a legal situation that provided a wheat program that never has been in effect, either last year or this year. But the law at that time provided, as Mr. Godfrey indicated earlier, to have a wheat program where we would have a market price depending on the support loan of \$1.26, with no export certificates involved. In that kind of a situation, we would have expected to have no export subsidy paid at all.

Then Congress did later on enact the wheat law which provided for export certificates which made it necessary to pay an export subsidy level somewhat lower than we had in earlier years. This explains the

reasons for these payments this year. We are very glad Congress did enact that law, as it was our desire. That was an expenditure, though, we were not able to put into the budget at that time.

Senator HOLLAND. I think you better look at this record pretty carefully and supplement it enough to clearly explain this situation, because it requires explanation.

Mr. MURPHY. We will be happy to do that.

CHANGES IN REQUEST OBVIOUS

Senator HOLLAND. When you request \$32 million and it is all granted, and you come back with a supplemental request for \$55 million, it is obvious that there have been very great and substantial changes, and it is particularly difficult to understand how the \$25 million of claimed additional need for 1964 would have come up after that time, because 1964 was all over at the time of the action by the Congress last year. That whole story should have been more clearly understood.

Mr. GODFREY. We will provide for the record full information on this, Mr. Chairman, but I seem to recall, and Mr. Eskildsen is here to back me up and Mr. Murphy, too, that the budget request for the \$31 million originally anticipated commercial exports under the International Wheat Agreement much lower than we actually achieved. The prospects for these exports and the actual exports increased materially during the first half of last calendar year, which was the latter half of the fiscal year—after the budget had been submitted to the Congress.

As a result of these dollar sales increasing materially, for example, the sale of wheat to Russia, then we had to pay the export subsidies on the increased amount. This was not in the International Wheat Agreement but in the CCC loss. The exact amount of sales under the International Wheat Agreement was not known at the time the budget came forward last year. We knew a little more about it at midyear, but not complete information even at that time.

WHEAT SALES

Senator HOLLAND. The fact is that the more we sold, the more we lost, is that it?

Mr. GODFREY. The more we sold, the more export subsidies we had to pay; yes, sir.

Mr. MURPHY. I would like for the record to show at this point that when we pay an export subsidy, at the same time we do realize or receive the export value for the wheat.

Senator HOLLAND. But as a Government, the more we sell, the more we lose.

Mr. MURPHY. No, sir; not in this case, because we sold some of this wheat out of Government inventory. We sold a very substantial amount of it. According to the best of my recollection, we were receiving a price of around \$2 a bushel domestically. So we were getting about \$2 a bushel and paying perhaps 50 cents a bushel in subsidies, so we were coming out \$1.50 ahead.

Those numbers are not precise.

Senator HOLLAND. Why is it, then, that we are asked to pay \$25 million more for that year's business simply because the volume of sales increased in that year?

Mr. MURPHY. That is because of the way the books are kept relating to this transaction. The 57-cent subsidy that was paid shows up. The subsidy is paid in order to compete and thus to effect exports; naturally the more we succeed in disposing of wheat by export, the greater the aggregate subsidy.

Senator HOLLAND. I think it is highly important that you make this very clear in a statement which even a Senator or Congressman can understand, because it is very hard now for me to understand that you increase sales because the price went up and the demand went up, and went up well beyond the International Wheat Agreement price, and now you need \$25 million more to make up the deficit for that year which resulted from those fine sales. I do not understand it.

Mr. MURPHY. If we had not been able to make those sales, Senator, I think we would find that we would be requesting an amount of money that would have shown up because we could not make the sales. It would have been under a different item, but I think it would have increased the total expenditures picture. Domestic prices went up more than international prices, which remained well within the International Wheat Agreement range. Rates of export subsidy payment increased slightly, but the principal cost increase is attributable to unexpectedly large quantities of wheat exported commercially under the agreement.

SITUATION UNCLEAR

Senator HOLLAND. We understand that you got it out of your inventory, but the whole transaction is not clear, at least to me as one Senator, and I hope you will make it very clear, because it is very hard to understand how, when the price went up, and you were selling for a price above your investment, that now you find that those gratuitous sales increased the amount you have to have by way of repayment of losses sustained an additional \$25 million.

Mr. MURPHY. Excuse me, sir. I do not think these sales were made at a price that was above our investment. The export sales were made at the world price which was more than 50 cents below the domestic level.

Senator HOLLAND. Suppose you make that clear.
(The information requested follows:)

The International Wheat Agreement expires July 31, 1965. The agreement of 1962 was ratified by 10 exporting countries and 38 importing countries. It covers all commercial trade in wheat and wheat flour between member countries and establishes maximum and minimum prices at \$2.02½ and \$1.62½ a bushel, basis No. 1, Manitoba Northern wheat in bulk in store Fort William/Port Arthur, Canada. Within the price range, importer members purchase specified percentages of their total commercial purchases from member exporters. At the maximum price, exporter members are obligated to furnish any quantities not already purchased up to a moving average equal to importer members historical commercial purchases during a 5-year period.

The United States is an exporting member. Importing members may purchase wheat and wheat flour in the United States from commercial exporters. The Corporation, using its funds and stocks of wheat, finances all U.S. exports under the agreement.

An unusual demand of wheat by importing countries with record exports was experienced in 1964. Since we pay export subsidies on all wheat exports, the resultant export subsidy increases were also reflected for the IWA shipments. Any increase in domestic market prices with no increase in export prices would result in increased subsidy payments. The bumper exports in 1964 resulted in actual IWA shipments totaling 220 million bushels as compared to the 1964 budget estimate of 110 million bushels.

INTERNATIONAL WHEAT AGREEMENT—SHIPMENT BY TYPES
Comparison of budget estimates with current estimates, fiscal year 1965¹

Item	1965 budget			Current estimate			Increase (+) or decrease (—)		
	Bushels	Amount	Average cost per bushel	Bushels	Amount	Average cost per bushel	Bushels	Amount	Average cost per bushel
Commercial exports:									
Cash payment differential to commercial exporters of wheat flour-----				12,000,000	\$4,200,000	\$0.35	+12,000,000	+\$4,200,000	+\$0.35
Payment-in-kind to commercial exporters of wheat-----				88,000,000	22,000,000	.25	+88,000,000	+22,000,000	+.25
Total cost of commercial exports-----				100,000,000	26,200,000	.262	+100,000,000	+26,200,000	+.262
Exports of Commodity Credit Corporation wheat via commercial exporters-----				10,000,000	2,500,000	.25	+10,000,000	+2,500,000	+.25
Total commodity costs-----	120,000,000			110,000,000	28,700,000	.261	-10,000,000	+28,700,000	+.26
Operating expenses-----		\$179,000			193,000			+14,000	
Total expenses of shipments-----		179,000			28,893,000			+28,714,000	
Interest expense on unrecovered balance-----					1,062,528			+1,062,528	
Total expenses, current year costs recoverable from appropriation-----		179,000			29,955,528			+29,776,528	
Unrecovered 1964 costs brought forward-----		31,659,000			156,838,472			+25,179,472	
Total appropriation or estimate-----		31,838,000			86,794,000			+54,956,000	

¹ Details in following table.

Comparison of 1964 budget estimate with actual

Item	Fiscal year 1964 in 1964 budget			1964 actual			Increase (+) or decrease (-)		
	Bushels	Amount	Average cost per bushel	Bushels	Amount	Average cost per bushel	Bushels	Amount	Average cost per bushel
Commercial exports:									
Cash payment differential to commercial exporters of wheat flour.....	16,163,000	\$14,390,000	\$0.89	12,969,139	\$9,891,588	\$0.76	-3,193,861	-\$4,498,412	-\$0.13
Payment-in-kind to commercial exporters of wheat.....	90,276,000	54,773,000	.61	179,915,157	99,468,009	.55	+89,639,157	+44,695,009	-.06
Total cost of commercial exports.....	106,439,000	69,163,000	.65	192,884,296	109,359,597	.57	+86,445,296	+40,196,597	-.08
Exports of CCC wheat via commercial exporters.....	3,561,000	2,337,000	.66	26,811,277	15,578,120	.58	+23,250,277	+13,241,120	-.08
Total commodity costs.....	110,000,000	71,500,000	.65	219,695,573	124,937,717	.57	+109,695,573	+53,437,717	-.08
Interest expense.....					667,828			+667,828	
Operating expense.....		200,000			177,503			-22,497	
Total, expenses of shipment.....		71,700,000			125,733,048			+54,033,048	
Unrecovered 1963 costs financed in 1964.....		20,656,000			17,273,424			-3,382,576	
Total costs.....		92,356,000			143,056,472			+50,700,472	
Appropriation applied.....					86,218,000				
Unrecovered 1964 costs.....					56,838,472				
1965 appropriation applied to 1964 costs.....					1-31,659,000				
Unrecovered 1964 costs included in 1965 supplemental.....					25,000,472				

¹ Excludes \$179,000 for 1965 operating expense.

STORAGE COSTS ON WHEAT

Senator YARBOROUGH. Gentlemen, I notice on your statement, International Wheat Agreement, 110 million bushels exported at 26 cents per bushel export payment. What is the cost for storage of a bushel of wheat per year?

Mr. GODFREY. The actual cost of storage is a little over 13 cents per bushel. There are some other costs incident to the handling, other than storage costs, which would run the total cost per bushel somewhere in the neighborhood of 16 to 18 cents per bushel.

Senator YARBOROUGH. So this export payment would pay storage for about 1½ years if you would keep it in storage?

Mr. GODFREY. Yes, sir.

Senator YOUNG. Was the export wheat certificate involved in this export wheat subsidy, the fact that the farmers are paid wheat certificates?

Mr. GODFREY. A PIK certificate was involved but not the wheat certificate you are thinking about for producers; no, sir.

Mr. MURPHY. It was not involved in 1964, but it is involved for 1965.

Senator YOUNG. That is so complicated I do not think I ever will understand it.

Mr. BEACH. The costs of International Wheat Agreement as such are required to be reimbursed to the Corporation, by law. Those costs are the costs of running the agreement plus the subsidy costs on wheat exported under the agreement. Any losses or gains realized from the wheat taken out of inventory, would show up in the reimbursement for CCC realized loss, which is a regular reimbursement to CCC. So, in effect, all you have here is the export subsidy on wheat exported under the International Wheat Agreement, whether it be from CCC stocks or commercial stocks plus expenses.

Senator YOUNG. And was the wheat sold to Russia and the satellite countries sold under the International Wheat Agreement price or was this a special deal?

Mr. BEACH. This would not have shown up here as an International Wheat Agreement transaction, as I understand it.

Senator HOLLAND. Russia is not a party to the International Wheat Agreement.

Mr. MURPHY. Yes, sir; it is.

Mr. GODFREY. As an exporter; yes, sir.

Senator HOLLAND. But not as an importer.

Mr. GODFREY. No, sir; but as a signatory country under the International Wheat Agreement we sold at the same export prices that we were selling to all other countries. When this sale was made, even though it was made through regular commercial channels, PIK certificates were issued for the export subsidy that was involved. This was not however a charge to the International Wheat Agreement, but was a part of CCC realized losses.

Senator HOLLAND. How much of this \$25 million and the \$30 million, the two deficits that you cover by this supplemental request, is chargeable to costs sustained by the Government in connection with the export to Russia?

Mr. GODFREY. We will have to check this because there were two different subsidies involved in the sale to Russia, I mean different because there were two different classes of wheat. We can furnish this total for the record.

Senator HOLLAND. All right.

(The information requested follows:)

Payment-in-kind certificates were issued on the Russian wheat sales in the amount of \$43,745,245.79 during the fiscal year 1964. This amount is included in the net realized losses of CCC.

PROGRAMS NOT REQUIRING SUPPLEMENTALS

Senator HOLLAND. I have two additional questions and they relate to title II and the barter title, title III. First, with reference to title II, you have no request for supplemental appropriations, under that, do you?

Mr. GODFREY. No, sir.

Senator HOLLAND. As I remember it, the act last year carried some \$220-plus million for expenses of emergency famine relief to friendly people under that title. How much of that amount do you now estimate would be expended during the current fiscal year?

Mr. BEACH. All but about \$7 million, Senator Holland. We can correct that for the record but it will be substantially all of it.

Senator HOLLAND. There will not be any carryover, then, of a substantial amount that the committee could turn to, in connection with meeting part of this supplemental?

Mr. BEACH. The estimate was \$7,123,000.

Senator HOLLAND. You estimate, then, that all of the \$220 million will be expended under title II, except some \$7 million; is that correct?

Mr. GODFREY. That is correct, sir.

Senator HOLLAND. Now for "Bartered materials," you are not asking for any supplemental appropriation under that item, are you?

Mr. BEACH. No, sir.

Senator HOLLAND. I notice that we appropriated, in the regular bill, nearly \$93 million, \$92.8-plus million, for that purpose—bartered materials for the supplemental stockpile.

What is the extent of the operation in this fiscal year under that appropriation?

Mr. GODFREY. This is highly uncertain but we estimate about \$22 million of what was appropriated would not be used.

Senator HOLLAND. How much has been used to date?

Mr. BEACH. We do not have that information here. We can give it to you for the record, Mr. Chairman. The use of these funds for transfers of bartered materials relates to the actual timing of the transfer of commodities that we acquire under the barter program. It does not follow any regular pattern. We will have to give you, for the record, the information as to how much has actually been transferred to date.

POSSIBLE UNEXPENDED FUNDS

Senator HOLLAND. Is it possible that there will be an unexpended amount there that we can turn to?

Mr. BEACH. The \$22.5 million is what our budget estimate indicated.

Senator HOLLAND. If we can see what you have spent up to now, we will have a better idea for ourselves.

Mr. GODFREY. We can insert a table, which I have before me, into the record which outlines the 1964 actual; the 1965 estimated; and the 1966 estimated, on the basis of the materials actually transferred and the 1963 costs that were paid from 1964 funds—the 1964 funds applied to the 1965 costs.

(The information requested follows:)

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Materials transferred to supplemental stockpile.....	\$37,665	\$80,033	\$75,000
1963 costs paid from 1964 funds.....	35,522		
1964 funds applied to 1965 costs.....	9,673	-9,673	
1965 funds not applied to program.....		22,500	
1965 funds to be applied to 1966 costs.....			-22,500
Appropriation or estimate.....	82,860	92,860	52,500
Actual through Nov. 30, 1965:			
Materials transferred.....		16,804	
Balance available for 1965 and 1966 (Including 1964 funds).....		85,729	
Amount carried forward to 1966 (est.).....		-22,500	
Net available Dec. 1, 1964, to June 30, 1965.....		63,229	

EXPENDITURE OF PREVIOUS APPROPRIATION

Senator HOLLAND. What I want to see is how much is going to be left over out of our appropriation of nearly \$93 million this year because you are asking us for a very large supplemental appropriation.

If there is anything left from what we appropriated last year which we can turn to to lower the amount, we want to know what it is and where it is.

Mr. GODFREY. We estimate \$22.5 million; yes, sir.

Senator HOLLAND. If you will, furnish for the record the list of what you have done and what you expect to do, then we can make up our own minds as to what we think is available out of that.

(The information requested follows:)

Explanation of estimated unused portions, 1965 appropriations

<i>Appropriation item</i>	<i>Amount</i>
Public Law 480, title II.....	\$7,123,365
Bartered materials for supplemental stockpile.....	22,500,000
Total.....	29,623,365

Public Law 480, title II.—A 1965 appropriation of \$220,453,000 was provided for 1965 and unrecovered prior-year costs. After deducting unrecovered 1964 costs of \$2,791,635, a balance of \$217,661,365 remained available for 1965 costs. Such costs are currently estimated at \$210,538,000, leaving unused funds of \$7,123,365 available for 1966 costs as indicated below:

Appropriation provided in 1965.....	\$220,453,000
Deduct:	
Total estimated costs, 1965.....	-210,538,000
1965 funds applied to 1964 costs.....	-2,791,635
1965 appropriation remaining available, to be applied to 1966 costs.....	7,123,365

And reduced the 1966 appropriation request as follows:

1966 estimated costs-----	\$305, 623, 365
1965 funds to be applied to 1966 costs-----	—7, 123, 365

1966 appropriation request-----	298, 500, 000
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Bartered materials for supplemental stockpile.—A balance of \$9,673,359 of the 1964 appropriation remained available for 1965 costs. An appropriation of \$92,860,000 was provided for 1965 costs. Therefore, total funds of \$102,533,359 are available for estimated 1965 costs of \$80,033,359, leaving \$22,500,000 for use in 1966 as follows:

1964 funds available for 1965 costs-----	\$9, 673, 359
1965 appropriation provided-----	92, 860, 000
Deduct: Estimated 1965 costs-----	—80, 033, 359

1965 appropriation remaining available for 1966 costs-----	22, 500, 000
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And reducing the 1966 appropriation as follows:

1966 estimated costs-----	75, 000, 000
1965 funds to be applied to 1966 costs-----	—22, 500, 000

1966 appropriation request-----	52, 500, 000
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SCOPE OF BUDGET REQUEST

Mr. GODFREY. I might point out here, Senator Holland, that the amounts estimated to be carried over, like the \$22 million and the \$7 million have been taken into account as reductions in the requests for 1966.

Senator HOLLAND. Do you mean that you have already carried over unexpended balances under titles II and III into your 1966 budget request?

Mr. GODFREY. Yes, sir; into the 1966 budget request. The 1966 budget request reflected these carryovers.

Senator HOLLAND. Thank you very much.

Senator Young?

USE OF FOREIGN CURRENCIES

Senator YOUNG. I have some questions with respect to foreign currencies which I believe you might furnish for the record. Some of them are a little complicated. Let me ask this one: Do you have any problem in using enough of these foreign currencies for programs relating to agriculture? Are you allowed to use as much of these funds as you would like to for agricultural purposes abroad?

Mr. MURPHY. Senator, this varies from agreement to agreement with the different countries. There are some rather detailed provisions in the law, itself, relating to the use of those currencies that are permitted. Within the limits of the framework of the law these different agreements do vary.

Mr. Eskildsen is here, who works rather closely with this field regularly. I think he can give you information on that.

Mr. ESKILDSEN. Senator, I take it your question is directed primarily to the use that the Department makes of these currencies with respect to market development efforts abroad?

Senator YOUNG. That and research programs or any other uses that would be of benefit to agriculture.

Mr. ESKILDSEN. With respect to the market development that we undertake, we do have provisions in all agreements we now sign, which is required by law, which provide for the transferability of some of these softer currencies into harder currencies by the country which receives our commodities.

I should say at the moment enough of that is done to cover the amount of work that we can reasonably carry on with the kind of organizations and the manpower we have to undertake the effort.

I think the answer with respect to the market development part of this job is "Yes," that we do have adequate funds.

RESEARCH FACTOR

Now, with respect to the research part of it, I am a little less acquainted with that, because most of this is handled in detail by another agency in the Department.

My understanding is that we have gotten a lot of good work done in a number of countries. I do not know that there is any particular hampering on the basis of lack of funds on that side of the picture. Of course, the research we undertake often has to be done, if it is going to be done well, in countries aside from those countries where we sell the commodities. This, in itself, is a complicated factor in the whole situation.

Senator YOUNG. Are we using any of these currencies now for utilization research?

Mr. ESKILDSEN. Yes, sir.

Senator YOUNG. We are supporting research to find new uses for agricultural commodities?

Mr. ESKILDSEN. Yes, sir.

Senator YOUNG. In what countries?

Mr. ESKILDSEN. We are doing work on utilization as well as pure research, and I can't be sure about the separation of countries. But I think we are doing work in Israel, and probably Yugoslavia—

Mr. GRANT. It is in all the so-called excess currency countries, Israel, India, Poland, Yugoslavia. We have some currencies that were made available in early agreements in Finland, and a few other countries such as that. The big problem in research operations is that the funds are made available for activities in the countries where the currencies are in excess of normal U.S. needs, and in the countries where they are not in excess we do have trouble getting them. The problem is one of balance of payments.

UTILIZATION RESEARCH BY GERMANY

Senator YOUNG. Germany is a country that has done a lot of research, and probably is among the best in the research field including that of utilization research. Could you have a utilization research program carried on by the Germans but paid for with currencies that were accumulated in other countries?

Mr. ESKILDSEN. We could not, of course, get the Germans to accept the other currencies, and this would impose upon us the necessity of providing for extended convertibility of soft currencies if we are going to carry out additional programs in a country like Germany, since we

do not have any of these types of programs in the hard currency countries like Germany.

Senator YOUNG. Do you have a report indicating activities in the field of utilization research?

Mr. ESKILDSEN. I am sure we have, Senator. We can supply that for the record.

Senator YOUNG. And would you send me a copy?

Mr. ESKILDSEN. Yes.

Senator YOUNG. I will submit these questions to you and you can supply the answers to them.

(The information referred to follows:)

Do we have any problems with respect to the use of these currencies to carry out U.S. programs abroad?

There are no particular problems with respect to the use of foreign currencies accruing under title I, Public Law 480, agreements to carry out current U.S. programs abroad. In general, the foreign currencies are promptly used as soon as they become available either as payment for agricultural commodities or as payment of principal and interest on loans. The new provision for use of currencies, added as section 104(t) of Public Law 480 by the last session of the Congress, is incorporated as standard practice in all title I, Public Law 480, agreements.

What are some of the uses of foreign currencies other than for U.S. agricultural programs in other countries?

The uses of foreign currencies are set out in section 104 of Public Law 480. Section 104(a) provides for uses of foreign currencies for agricultural market development and section 104(k) provides funds for research, including agricultural research. The other sections run through the alphabet from section 104 (b) through (t). Most of these other than sections 104 (c), (e), and (g) are for U.S. Government use, including payment of U.S. obligations abroad; financing international education exchange activities; financing translation, publication, distribution of books and periodicals; acquiring buildings and grounds for U.S. Government use; financing participation in trade fairs; providing assistance in U.S. sponsored schools, among others. Of the other uses, section 104(c) is for contributions to the common defense, 104(e) is for loans to private enterprises and in some cases for grants for economic development, and 104(g) is for loans for economic development.

What becomes of the soft currencies and why don't we use them instead of sending dollars abroad?

We use the foreign currencies to pay expenses of U.S. Government agencies abroad to the greatest extent possible. By doing so we avoid sending dollars abroad to a considerable extent.

The title I, Public Law 480 agreements, in accordance with the law, provide that not less than 2 percent of the proceeds of the sales and loan agreements are converted into foreign currencies as determined by the Secretary of Agriculture to be needed to carry out agricultural market development programs in other countries which offer a potential for becoming dollar markets for U.S. agricultural commodities. Also, the title I agreements generally provide for the convertibility of some of the funds, generally around 2 percent for financing international education exchange activities under section 104(h) in other countries. These amounts, in addition to those mentioned above, help to make possible the use of these foreign currencies instead of sending dollars abroad.

The balance of the foreign currencies are for the most part used for economic development within the countries receiving the agricultural commodities. Since these countries have inadequate foreign exchange resources they still need additional dollar or other hard currency financing to provide the additional nonagricultural items their economies require.

Do you have any agreements in countries where we will not use the currencies?

All of our title I, Public Law 480, agreements provide for the currencies to be used by the U.S. Government to meet the requirements of U.S. Government agencies. Because in a number of countries we already have on hand a greater supply of the currencies than we are likely to need for several years, it will be

some time before the additional currencies accruing from current and future agreements can be used to meet the needs of U.S. Government agencies.

What are our supplies of excess currencies and of nonexcess currencies?

Our supplies of excess currencies as of June 30, 1964, amounted to \$2,326,567,804. Our supplies of nonexcess currencies as of the same date amounted to \$480,521,801. These currencies have accrued mostly from Public Law 480 operations but they include small amounts of currency accruing from other Government programs.

What was our dollar total of foreign currencies in 1964 and what are the estimates for fiscal years 1965 and 1966?

Our dollar total of foreign currencies collected in fiscal year 1964 was \$1,119.3 million. The estimate for fiscal year 1965 is \$1,200 million. The estimate for fiscal year 1966 is \$1,065 million.

How much of these dollar equivalents are available to us for our own uses and how much for foreign national uses?

Of these dollar equivalents in fiscal year 1964 \$180.3 million are available to us for U.S. Government uses and \$939 million for foreign country uses. The estimate for fiscal year 1965 is \$200 million for U.S. Government use and \$1 billion for foreign country uses. The estimate for fiscal year 1966 is \$200 million for U.S. Government use and \$865 million for foreign country use.

What has been the total of firm sales agreements since the beginning of the program to date under title IV?

A total of 52 agreements and amendments with 21 different countries has been concluded under title IV government-to-government agreements. This amounts to an export market value, including ocean transportation, of \$392,918,000. In addition a title IV agreement with a private trade entity in Iran was signed on December 31 with an export market value, including ocean transportation, of \$750,000.

When the U.S. wants to carry out a program in a country where our holdings of currencies are nonexcess, can we draw on the currencies of other countries, such as India or Poland or Egypt, where our local currencies are in excess to our foreseeable needs?

Under the provisions of an amendment of section 104(a) of Public Law 480 approved August 8, 1961, provision is made for conversion of not less than 2 percent of the sales under title I agreements to other currencies which the Secretary of Agriculture determines to be needed to carry on market development under the section. Through fiscal year 1964, a total of more than \$34 million had been converted primarily from excess currency countries to other countries having greater market potential. This conversion has included some funds for utilization research associated with market development. A little more than \$13 million is being converted for fiscal year 1965. Present policy is to convert where the currencies are to be purchased with appropriations under regular agency appropriations. Conversions are not being authorized to be purchased under the special foreign currency appropriations. Funds currently appropriated for agricultural research are included in the special foreign currency appropriation.

Pursuant to provisions contained in sales agreements, conversion has been made of substantial amounts from excess foreign countries to other countries for use in carrying out international educational exchange activities pursuant to section 104(h) of Public Law 480.

In addition official U.S. travel to excess currency countries is paid with the currency of those countries and in many cases stopovers are made in nonexcess countries to transact Government business.

To the extent indicated above, we draw on the currencies of countries where the currency is in excess of foreseeable U.S. needs to carry on programs in other countries.

MARKET DEVELOPMENT RESEARCH UNDER SECTION 104(a) OF PUBLIC LAW 480

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) of the act. Work is carried on through agreements, in both basic and

applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. This work encompasses—

1. Utilization research, including the development of new or improved methods of utilizing agricultural materials.

2. Marketing research, including studies of food and fiber preference of foreign consumers, improvement of quality and acceptability of U.S. agricultural products in foreign markets, and improvement in handling and storage of agricultural products.

Market development research under Public Law 480 is designed to complement and not to duplicate or displace the regular dollar-financed research program of the Department.

The following selected examples of market development research under Public Law 480 are illustrative of the Department's program.

Improved preparation of potentially useful chemicals from soybean and linseed oils.—A new oxidation catalyst has been prepared that offers the possibility of using air as a chemical reactant for the oxidative conversion of soybean and linseed oils into highly reactive and potentially useful chemical products without using hazardous and expensive chemicals. The new catalyst (an oil-soluble, organo-metallic compound) has been found effective in catalyzing the air oxidation of an unsaturated fatty acid to a new organic acid that has potential for producing new polymers for use in plastics and adhesives. The use of air has a very distinct economic advantage over oxygen that could be used to produce the same end product (Italy).

Useful derivatives from vegetable oils and animal fats.—Research has yielded a large number of new chemical derivatives of fats and oils, known as alkyl aryl ketones. Screening tests have indicated that many of these derivatives have potential uses in such products as surface-active agents, plasticizers, fungicides, lubricants, and lubricant additives (France).

Storage of edible vegetable oils.—Studies revealed that crude soybean oil remained quite stable when stored at 30° C. for a period of about 1 year. On the other hand refined soybean oils showed definite changes due to oxidation when stored for the same period of time at the same temperature. This information indicates that vegetable oils destined for long storage periods should not be refined. The type of metal used to construct the storage container influenced the rate of oxidation. Any copper used in the container markedly accelerated oxidation (Italy).

High-quality soybean foods.—The Japanese use large quantities of soysauce (shoyu) in their diet. To test the quality of U.S. soybeans in the production of soysauce, a number of U.S. varieties were compared with the commonly used Japanese varieties of soybeans. The results showed that several U.S. varieties would produce higher quality soysauce at lower cost than the Japanese varieties. Larger exports of soybeans to Japan for this purpose can be expected (Japan).

Evaluation of U.S. soybeans for tofu production.—Tofu, or soybean curd, is a staple of the Japanese diet. Most American varieties of soybeans are unsatisfactory for tofu processing. Under a grant with the Japanese Tofu Association, 14 U.S. commercial varieties of soybeans have been evaluated for tofu production. The evaluation is being done on a laboratory, and pilot scale, also. Ten tofu manufacturers located in different parts of Japan are cooperating in carrying out the pilot scale tests. Two varieties have been shown to be satisfactory for tofu production. As a result of these investigations, Japanese tofu manufacturers are purchasing American soybeans on a varietal basis (Japan).

Evaluation of U.S. soybeans for production of miso.—Miso is a fermented soybean product high in salt content, and part of the daily diet of the Japanese. It is a cheeselike product used in soup. Most American soybeans are unsuitable for making miso. They are too hard and difficult to process. Thirteen U.S. commercial varieties, and about 25 experimental varieties have been evaluated for the production of miso, including determination of its softness and flavor. Harrsoy and Yellaman varieties have been found to be good for miso production. Also, two of the experimental samples were easy to process and gave good quality miso. This research has expedited the sale of American soybeans on a varietal basis for miso production (Japan).

Basic method for determining baking characteristics of wheat flours.—Not all kinds of flour are equally well suited for baking good quality bread. None of

the various methods currently in use give reliable results in the sense of reasonably sure (let alone unequivocally predictable) baking behavior. The ultimate decision still depends upon a full-fledged baking test. Work is being done under a grant in Israel to develop a basic method for determining, reliably, the baking properties of flour. Results thus far obtained show good promise in the development of a method for forecasting dough baking quality which, in turn, will make possible an increased use of wheat varieties, specifically those which demand blending (Israel).

Antioxidants of oats.—Under an English grant, a new group of antioxidants from oats has been isolated and characterized. The new antioxidants may be useful for preventing rancidity in precooked oatmeal and other products processed with heat. Rancidity is not a serious problem in uncooked oat products because natural antioxidants in oats prevent rancidity. However, heat partially inactivates these antioxidants with the result that processed products become rancid in a short time unless an antioxidant is added. The antioxidants isolated from oats (which can be readily synthesized chemically) are ideal for preventing rancidity. The new antioxidants have a large potential use in the United States where nearly a billion bushels of oats a year are used for breakfast foods and processed feed for animals. These antioxidants have promise, also, in preventing rancidity of foods in general. These antioxidants are the subject of the first U.S. Public Service patent resulting from market development research with Public Law 480 funds (England).

"Red heat" of hides.—A condition known as "red heat" occurs in American hides shipped abroad. The condition is caused by several microbial organisms which invade the "flesh side" of salted hides and penetrate to the "grain side" resulting in serious damage to the finished leather. American hides apparently have too much adhering fat, making an ideal situation for the growth of the damaging organisms. Addition of certain chemicals, at low concentrations, to the curing salt prevents the growth of the undesirable organisms (Italy).

Discoloration of potatoes.—The tendency for the cut surfaces of potatoes to turn dark when exposed to air often lowers the quality of processed potato products, particularly prepeeled potatoes. Although darkening can be retarded by treating the tissue with sulfites, this may introduce an off-flavor that is objectionable. A study in England has shed new light on the phenomenon of darkening and suggests a new approach to solution of the problem. It was found that the major factor determining the rate of discoloration is the concentration of the compound, tyrosine, in the tuber and that the tyrosine level is largely influenced by the amount of water available to the growing plant and to a lesser extent by certain other cultural factors. Modification of irrigation schedules and other farming practices may yield potatoes much less susceptible to darkening. This will make possible the development of a consumer retail market for prepeeled potatoes, which until now have only been sold to institutional users because of their relatively short storage life (England).

Improving milk processing techniques.—Important basic information has been obtained which indicates that the heat treatment of milk during processing causes a degradation of the casein molecule into certain soluble nonprotein nitrogen substances. These substances are responsible for some of the problems encountered by industry. Identification of and biochemical studies on these compounds are expected to provide information for improving milk processing techniques (France).

Flavor development in sausage.—An intensive screening study of some 700 micro-organisms isolated from sausages and curing brines has shown the beneficial role of certain of these bacteria during the manufacture and ripening of dry sausages. When starter cultures prepared from three of these strains were used under manufacturing conditions, sausage of good flavor, aroma, and color were obtained. This new information will assist sausage manufacturers in producing a consistently good product (Finland).

Senator HOLLAND. So far as I know, those are all the questions that we have. We will close the hearing at this point. I hope you gentlemen will furnish this just as quickly as possible, all these considerable requests that we have made as we want to get the record printed as speedily as we can. We want to handle this legislation this week, if we can.

Mr. MURPHY. Thank you very much, Senator. We have much hope that you will be able to handle it this week, and we will supply this information very, very promptly indeed.

LONG RUN SAVINGS ON EXPORT PROGRAM

Senator YARBOROUGH. Is there in this sale of wheat under the export payments where you have a 26-cent-per-bushel payment, any saving to the Government in the long run on getting that wheat out of storage?

Mr. GODFREY. Yes, sir; there is.

Senator YARBOROUGH. Would you put a statement into the record showing what the savings have been on that, in getting it out of storage?

Mr. GODFREY. Yes, sir.

(The information referred to follows:)

Estimated export subsidy cost on 110 million bushels estimated to be exported under the International Wheat Agreement during fiscal 1965 is \$29 million. If such subsidy payments were not made, total exports would probably be reduced by this quantity and Commodity Credit Corporation inventories at the end of fiscal 1965 would be about 110 million bushels higher than currently estimated. Assuming this additional quantity would probably remain in CCC inventory for at least 3 years, storage costs on 110 million bushels of wheat for this period would total about \$43 million, compared with the estimated export subsidy of \$29 million on the same quantity. Thus the net savings on storage costs would amount to about \$14 million.

SPECIAL MILK PROGRAM

Senator HOLLAND. I have received a letter from Hon. William Proxmire in further reference to the special milk program, which I offer for the record at this point.

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
January 26, 1965.

HON. SPESSARD HOLLAND,
*Chairman, Subcommittee on Department of Agriculture and Related Agencies,
Senate Appropriations Committee, Washington, D.C.*

DEAR SPESSARD: As you may recall, on January 25, during hearings on Agriculture supplemental appropriations, I asked Mr. Charles L. Grant whether or not the special milk program had been further cut back in fiscal 1965 due to insufficient funds. He stated that he did not believe so, but would look into the matter further.

My further inquiries at the Department of Agriculture have disclosed that Federal participation in the program was cut by 3 percent in fiscal 1965 on top of a 2 percent cut in fiscal 1964 for an overall cut over the 2 fiscal years of 5 percent.

During hearings on the 1965 Agriculture budget, I put forth at some length the reasons why such a cut not only penalized children from lower income families but also represented no real saving to the Government in view of the fact that milk not used in the program might well have to be purchased by the Government at 75 percent of parity.

I am not going to press for an increase in funds for the special milk program at this time in view of the urgency of providing appropriations for the ongoing operations of the Commodity Credit Corporation, as well as our food for peace programs. However, I do want to serve notice that I intend to work just as hard as I can to convince the subcommittee of the importance of providing sufficient funds for this program for fiscal 1966. In my estimation, the budget request of \$100 million is grossly inadequate in view of past experience.

I would greatly appreciate the inclusion of this letter in the published hearings on the supplemental request so that the 1965 cutback in the special milk program, together with my intention to fight for an adequate program in 1966, may be a matter of public record.

Sincerely,

WILLIAM PROXMIRE, *U.S. Senator.*

COMMITTEE ADJOURNMENT

Senator HOLLAND. Thank you very much, gentlemen.
(Whereupon, at 12:14 p.m., Monday, January 25, 1965, the hearing adjourned.)

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF DEPARTMENT OF AGRICULTURE, 1965

MONDAY, FEBRUARY 1, 1965

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The committee met at 10 a.m., pursuant to call, in room S-128, U.S. Capitol, Hon. Carl Hayden (chairman of the committee) presiding.

Present: Chairman Hayden, Senators Ellender, Hill, McClellan, Holland, Stennis, Pastore, Bible, Byrd, McGee, Mansfield, Bartlett, Proxmire, Saltonstall, Young, Mundt, Smith, Kuchel, Allott, and Case.

AGRICULTURAL COMMODITIES TO THE UNITED ARAB REPUBLIC STATEMENTS OF HON. GEORGE W. BALL, ACTING SECRETARY OF STATE, AND C. E. ESKILDSEN, ASSOCIATE ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICES, DEPARTMENT OF AGRICULTURE

DEPARTMENTAL POSITION RESPECTING HOUSE ACTION

Chairman HAYDEN. The committee will be in order. The chairman of the subcommittee, Senator Holland, will preside.

Senator HOLLAND (presiding). Thank you, Mr. Chairman.

I ask that the letter from Mr. Charles Murphy, Under Secretary of Agriculture, dated January 27, 1965, to the chairman of the full committee be placed in the record at this time. Rather than read it I will say for the benefit of other Senators that, while Mr. Murphy feels that the full amount requested by the Department would be sound handling of the situation, no appeal will be made at this time of the reduction in the amount made by the House.

The Department of Agriculture does however object to the amendment which was voted on the House floor providing that no part of the appropriation should be used during fiscal year 1965 to finance the export of any agricultural commodities to the United Arab Republic under the provisions of title I of Public Law 480.

(The letter referred to follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., January 27, 1965.

HON. CARL HAYDEN,
*Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.*

DEAR SENATOR HAYDEN: House Joint Resolution 234, as passed by the House of Representatives on January 26, 1965, includes supplemental appropriations

totaling \$1,600 million to reimburse the Commodity Credit Corporation for losses under the price-support programs in 1962 and 1963, and for additional costs in 1965 for Public Law 480 and the International Wheat Agreement. This is \$142,209,000 below the budget estimates of \$1,742,209,000 for these purposes requested in House Document No. 59. The amounts approved by the House will enable the Corporation to meet its presently estimated requirements during the current fiscal year. However, the projected balance of available borrowing authority which should be provided to meet unforeseen needs would be reduced by \$142,209,000.

The resolution was amended during House debate to insert the following proviso at the end of line 13:

"Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodities to the United Arab Republic under the provisions of title I of such Act."

We recommend the deletion of this proviso from the joint resolution. However, this matter will be considered further by your committee, since we understand that hearings are scheduled on this subject tomorrow, January 28.

In view of the emergency confronting the Commodity Credit Corporation, we recommend prompt action by the Senate to approve the supplemental appropriations for the Corporation.

Sincerely yours,

CHARLES S. MURPHY,
Under Secretary.

HEARINGS SUSPENDED PENDING HOUSE ACTION

Senator HOLLAND. After the completion of our hearing a week ago today, we suspended further discussion of the matter and the markup of the bill until after House action. When the House acted it adopted certain reductions in the bill, which I have already said are not complained of specifically by the Department of Agriculture, though they say they would be able to handle the full job for the remainder of the fiscal year much more satisfactorily with the amount they had requested.

OBJECTION TO AMENDMENT RELATING TO PUBLIC LAW 480

But they object to the amendment relating to the Public Law 480 administration as to Egypt.

Later, the chairman of the full committee and I and other members of the Senate, I am sure, received strong protests from the Secretary of State.

I understand that Mr. Rusk was prepared to testify last week but was then asked by the President to go to London for the Churchill funeral ceremonies. The matter was then put over until today, so that the Department of State could make any presentation it cared to make to this committee, which is not the subcommittee, but the full committee.

Over the weekend I talked with Under Secretary Ball, who is here this morning, and was advised by him that Secretary Rusk after his return from London was advised by his physician not to attend the hearings today.

Mr. Ball, as I understand it, is appearing in place of Secretary Rusk but we are glad to have you with us, Mr. Ball. May I say I think it was wise to proceed to an early termination of this matter because after all the principal matter of discussion in this bill is the effort to keep the Commodity Credit Corporation in business, meeting the three types of demands which are related to the supplemental items contained in this bill.

The Egypt question is a secondary one and one of importance in the field other than meeting the immediate needs of the Commodity Credit Corporation to carry out its obligations. I am glad you are here and I suggest that first you make whatever statement you may desire and then I am sure members of the committee may wish to ask you questions.

STATEMENT OF ACTING SECRETARY BALL

Secretary BALL. Thank you, Mr. Chairman. May I say to you, sir and to the committee that I have spoken with Secretary Rusk and he asked me to extend to you both his regrets and his apologies for not being able to come here this morning. He is not seriously ill at all but he has a fever and the doctor did not feel he should leave his house until he has completely recovered.

I. This committee has before it the legislation that would deny the use of the supplemental Public Law 480 appropriation to finance any further authorizations for the sale of surplus agricultural products to the United Arab Republic under title I of Public Law 480 during the present fiscal year.

This legislation raises issues of fundamental importance to our foreign relations. I propose this morning to suggest to the committee reasons why this prohibitory amendment should not be enacted.

II. Ever since the dawn of history the Near East has been a critical crossroads in world affairs. It forms the land bridge between Europe and the Far East and between Europe and Africa. It contains more than two-thirds of the world's proven resources of oil. Particularly since the creation of the State of Israel in 1948, the whole area has been in a state of constant tension.

These tensions have been aggravated and exploited by the Communists who regard the Near East as a tempting target for penetration. They have long recognized its strategic significance.

III. They see it not merely as a vast reservoir of resources, but as a steppingstone to Africa and a promising terrain for operations to flank the NATO powers. They have, therefore, devoted great efforts to the extension of their influence into a number of Near Eastern states.

In approaching the problems of the Near East, the United States deals individually with the various countries of the Arab world. The United Arab Republic is the largest and most influential of those countries.

It contains one-third of the total Arab population. It controls the Suez Canal. It occupies a geographic position of great strategic significance. Our relations with the Near East are inextricably bound up with our relations with Egypt.

DECADE OF THE 1950'S

During the decade of the fifties, those relations were the center of world concern. The Aswan Dam crisis triggered a swift chain reaction. Egypt nationalized the Suez Canal. Egypt was itself attacked. The Iraq Petroleum Co.'s pipeline was cut. Our aviation rights were disrupted.

The Communist Party gained many adherents in the area and Soviet influence was substantially expanded throughout the Near East. We all remember the end of that sequence of events.

In July 1958, we had to send troops into Lebanon to protect the security and integrity of a friendly nation threatened by the subversion of outside forces.

IV. The events of the fifties brought into focus the hard fact that what happens in the Far East is of critical importance to our strategic sea, land, and air routes; to our vast oil investment; to the security of Israel and other countries in the area.

And closely related to these other interests is the prevention of expanded Communist penetration into the Arab world.

This lesson has served to shape U.S. policy during the past 5 years. We have sought to restore stability to the Near East. We have used all of the weapons of persuasion at our command.

On some matters we have been able to make our influence felt, on others not. For a period, there seemed to be a substantial lessening of tensions in the area. The underlying situation was, however, always precarious. Today the situation is volatile and dangerous and the shape of events during the coming year is by no means clear.

V. Faced with this situation what should the U.S. Government do? The fundamental answer, of course, is that we should not compromise with the protection of American vital interests. We do not, therefore, advocate a policy of weakness.

PRESIDENTIAL FLEXIBILITY ESSENTIAL

At the same time, a strong nation must act coolly and carefully. In a situation of this kind, it is essential that the President have the flexibility to do what a changing situation may require on a day-to-day basis.

We ask, therefore, that the Congress not limit the President's freedom of action in the conduct of our relations with this key country during the weeks ahead.

I do not know whether it will be possible to bring about the kind of understanding between the United States and the United Arab Republic that can contribute to peace and stability in the Near East and in Africa.

UNITED ARAB REPUBLIC AND UNITED STATES EFFORT NECESSARY TO IMPROVED RELATIONS

During the past few weeks, the relations between our two Governments have been anything but satisfactory. If an improved relationship is to be achieved, it will take a substantial effort by the United Arab Republic and not merely by the United States.

I cannot predict to this committee how events may evolve but I am sure this committee realizes that the stakes are high; that the task is not an easy one; and that, if the President is to succeed, he will need all possible flexibility.

VI. The specific question raised by the proposed amendment is a narrow one—whether the United States will be able to fulfill a 3-year Public Law 480 sales agreement we entered into with the United Arab Republic in October 1962. That agreement expires at the end of this fiscal year.

Senator HOLLAND. You mean on June 30 of this year?

Secretary BALL. June 30, 1965, that is right.

Under the present agreement the United States committed itself to sell \$431.8 million of U.S. surplus commodities. Of this amount, all but \$37 million have either been actually delivered or are subject to purchase authorizations issued to the United Arab Republic.

It seems to us that, at the very least, the President must be in a position—if he deems it wise—to complete deliveries under this agreement.

VII. Meanwhile, we shall continue, as we have been doing, to work assiduously for peace and stability in the Near East through all of the diplomatic means at our command.

PROTECTION OF U.S. VITAL INTERESTS

In that process we can assure this committee that our prime objective will be the protection of U.S. vital interests in a critical area of the world—an area that at once contains vast resources for peace and the elements that could lead to an explosion endangering the whole free world.

Now, Mr. Chairman, this is my prepared statement. I shall be very happy to answer any questions that this committee might have. Obviously this is a matter of very great sensitivity and if, at the conclusion of this discussion, or at any time, the committee would care to go into executive session, I would, of course, have more freedom to deal with some of these very sensitive problems.

ADVANTAGES OF PUBLIC STATEMENT

Senator HOLLAND. May I say to the members of the committee that I strongly urged the Secretary of State, and later the Under Secretary, who is here now, to make an open statement which would appear in our printed record because I felt that, if there were any developments in either direction in connection with action taken by this committee, all Members of the Senate should equally have the chance to see upon what showing those developments were based.

I further recognize, after talking with both the Secretary and the Under Secretary, and after having read the very full presentation made by the Secretary to the Foreign Relations Committee and others one day last week, that there were questions which could not be discussed on the record.

SUGGESTED PROPER INQUIRIES

I appreciate the fact that this very brief statement has been made. I think it should be amplified somewhat for the record. I would propose questions by members of the committee that deal with the nature of the contract, the nature of the obligation that exists and other questions that may be appropriate for the printed record be asked and be answered very frankly by the Under Secretary.

I think we can all understand that there are other questions having to do with the situation in the Congo with the situation in Sudan, with the situation in Saudi Arabia, with the situation in Yemen, with the situation as between our country and Israel, which very properly are not matters for open or public discussion.

I want to ask two or three questions if I may and then I shall be glad to have other members of the committee ask any questions that

appear to them appropriate. I think we must realize that, if there are questions which go into a field which should not become a part of the printed record, the Under Secretary should reserve the right to answer those questions in executive session, and I would hope that the chairman of the committee will support my view that an executive session after all proper matters for the public record have been explored would be appropriate under the circumstances.

Chairman HAYDEN. There is no question about that.

NATURE OF 3-YEAR AGREEMENT

Senator HOLLAND. First, I want to ask you, Mr. Ball, to explain a little more fully the nature of the present agreement. As I understand, and you state this in paragraph 6 of your prepared statement on page 6, the United States committed itself 3 years ago to sell \$431.8 million of U.S. surplus commodities to Egypt. This was by written agreement; was it?

Secretary BALL. That is right, sir. I think that statement is a little elliptical because when the agreement was signed on October 8, 1962, the actual amount agreed upon was \$390 million. In the meantime there have been some additional sums which have been agreed upon by supplements to this agreement. So that the total amount has now become \$431 million, I believe.

Senator HOLLAND. Do I understand that the copy of the agreement as supplemented from time to time was that which was furnished to me by letter from Dorothy H. Jacobsen, Assistant Secretary for International Affairs of the Department of Agriculture, on January 29 this year.

Secretary BALL. That is my understanding, Mr. Chairman.

Senator HOLLAND. Is there any reason why that agreement should not be made a part of the record?

Secretary BALL. Not at all. It is a public agreement.

Senator HOLLAND. I suggest that this agreement as supplemented and now representing, as I understand from your testimony, the full contract between our Nation and Egypt be inserted in the record. I further ask that a brief summary of the current status of the agreement and the letter of transmittal from the Department of Agriculture also be inserted at this point in the record.

(The information referred to follows:)

AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED ARAB REPUBLIC UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED (OCTOBER 8, 1962)

The Government of the United States of America and the Government of the United Arab Republic,

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Considering that the purchase for Egyptian pounds of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the Egyptian pounds accruing from such purchase will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to the United Arab Republic pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows:

ARTICLE I. SALES FOR EGYPTIAN POUNDS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the United States Arab Republic of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Egyptian pounds, to purchasers authorized by the Government of the United Arab Republic, of the following agricultural commodities in the amounts indicated:

<i>Export market value</i>	
Commodity:	<i>Millions</i>
Wheat and/or wheat flour-----	\$275.8
Corn-----	24.0
Cottonseed and/or soybean oil-----	22.9
Inedible tallow-----	12.7
Nonfat dry milk-----	.3
Frozen poultry-----	1.5
Ocean Transportation (estimated)-----	52.8
Total-----	390.0

2. Applications for purchase authorizations for \$68.1 million of wheat, \$4.8 million of corn, \$7.1 million of cottonseed and/or soybean oil, \$3.4 million of tallow, \$0.1 million of nonfat dry milk and \$0.4 million for frozen poultry, and for certain ocean transportation, will be made within 90 days after the effective date of this Agreement.

3. The amounts for fiscal years 1964 and 1965 will be determined on the basis of annual reviews to be made by the two Governments prior to the beginning of each fiscal year. The reviews shall take into account the United States stock position of each commodity, changes in the United Arab Republic's production, consumption, stocks, storage facilities, imports from the United States and countries friendly to the United States, and other related matters.

4. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Egyptian pounds accruing from such sale, and other relevant matters.

5. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

ARTICLE II. USES OF EGYPTIAN POUNDS

The Egyptian pounds accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown:

A. For United States expenditures under subsections (a), (b), (f), and (h) through (s) of section 104 of the Act, or under any of such subsections, ten percent of the Egyptian pounds accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under section 104(e) of the Act and for administrative expenses of AID in the United Arab Republic incident thereto, five percent of the Egyptian pounds accruing pursuant to this Agreement. It is understood that—

(1) Such loans under section 104(e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in the United Arab Republic for business development and trade expansion

in the United Arab Republic, and to United States firms and United Arab Republic firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.

(2) Loans will be mutually agreeable to AID and the Government of the United Arab Republic, acting through the National Bank of Egypt (hereinafter referred to as the Bank). The Governor of the Bank, or his designate, will act for the Government of the United Arab Republic, and the Administrator of AID, or his designate, will act for AID.

(3) Upon receipt of an application which AID is prepared to consider, AID will inform the Bank of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.

(4) When AID is prepared to act favorably upon an application, it will so notify the Bank and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in the United Arab Republic on comparable loans, and the maturities will be consistent with the purposes of the financing.

(5) Within 60 days after the receipt of notice that AID is prepared to act favorably upon an application, the Bank will indicate to AID whether or not it has any objection to the proposed loan. Unless within the 60-day period AID has received such a communication from the Bank, it shall be understood that the Bank has no objection to the proposed loan. When AID approves or declines the proposed loan, it will notify the Bank.

(6) In the event the Egyptian pounds set aside for loans under section 104(e) of the Act are not advanced within 3 years from the date of this Agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and the Bank, the Government of the United States of America may use the Egyptian pounds for any purpose authorized by section 104 of the Act.

C. For a loan to the Government of the United Arab Republic under section 104(g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of the United Arab Republic, as may be mutually agreed, 85 percent of the Egyptian pounds accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the Egyptian pounds for loan purposes within 3 years from the date of this Agreement, the Government of the United States of America may use the pounds for any purposes authorized by section 104 of the Act.

ARTICLE III. DEPOSIT OF EGYPTIAN POUNDS

1. The amount of Egyptian pounds to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirements that United States-flag vessels be used) converted into Egyptian pounds, as follows:

(a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the United Arab Republic, or

(b) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of the United Arab Republic.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of Egyptian pounds which may be due or become due under this Agreement more than 2 years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

ARTICLE IV. GENERAL UNDERTAKINGS

1. The Government of the United Arab Republic will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment, or use is specifically approved by the Government of the United States of America) of the agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales or purchases of agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

3. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the United Arab Republic will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition of commodities and provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

ARTICLE V. CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement, or to the operation of arrangements carried out pursuant to this Agreement.

ARTICLE VI. ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

In witness whereof, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

Done at Washington in duplicate this 8th day of October 1962.

For the Government of the United States of America :

PHILLIPS TALBOT,
Assistant Secretary of State.

For the Government of the United Arab Republic :

ABDEL MONEIM EL KAISOUNI,
Minister of Treasury and Planning.

EMBASSY OF THE UNITED ARAB REPUBLIC,
Washington, D.C., October 8, 1962.

Hon. DEAN RUSK,
Secretary of State.

Mr. SECRETARY: I have the honor to acknowledge the receipt of your note of October 8, which reads as follows :

"I have the honor to refer to the Agricultural Commodities Agreement signed today by representatives of our two Governments, under which the United States of America undertakes to finance the delivery to the United Arab Republic of \$390 million worth of agricultural commodities, and to inform you of my Government's understanding of the following :

"(1) In expressing its agreement with the Government of the United States of America that the above-mentioned deliveries should not unduly disrupt world prices of agricultural commodities or impair trade relations among friendly nations, the United Arab Republic agrees that it will procure and import with its own resources the following agricultural commodities in addition to those to be purchased under the terms of the cited agreement :

"(a) From the United States and countries friendly to it at least 150,000, 250,000, and 300,000 metric tons of wheat and/or wheat flour in grain equivalent respectively during each of the U.S. fiscal years 1963, 1964, and 1965.

"(b) From the United States and countries friendly to it at least 25,000, 30,000, and 35,000 metric tons of feed grains respectively during each of the U.S. fiscal years 1963, 1964, and 1965.

"(c) From the United States and countries friendly to it at least 10,000, 12,500, and 15,000 metric tons of vegetable oil and/or oilseeds in oil equivalent respectively during each of the U.S. fiscal years 1963, 1964, and 1965.

"(d) From the United States and countries friendly to it at least 600 metric tons of dried milk during each of U.S. fiscal years 1963, 1964, and 1965.

"(e) From the United States at least 20,000, 22,500, and 25,000 metric tons of tallow respectively during each of the U.S. fiscal years 1963, 1964, and 1965.

"(2) It is understood that the wheat and wheat flour included under this agreement is provided by the Government of the United States of America on the basis of renewed assurances that the Government of the United Arab Republic will continue its announced intention not to increase the total area devoted to cotton production in the United Arab Republic. Further, the Government of the United Arab Republic assures the Government of the United States of America that imports of wheat and wheat flour under this agreement will not increase the availability of rice for export by the United Arab Republic. It is accordingly agreed that, based on an assumed milled rice production totaling 1.3 million metric tons in the current year, rice exports in the 12 months beginning November 1, 1962, will not exceed 400,000 metric tons. Exports of rice in excess of 400,000 metric tons would be effected during this period only to the extent that final agreed production figures for milled rice exceed 1.3 million metric tons. Levels for rice exports for the second and third years of the agreement will be considered during the annual review.

"(3) For purposes of section 104(a) and 104(h) of the act, the Government of the United Arab Republic will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of the following amounts of Egyptian pounds: For 104(a) 104(h) purposes and for the purposes of the Mutual Educational and Cultural Exchange Act of 1961, up to a total of \$7.5 million worth of Egyptian pounds, including up to \$1.5 million in fiscal year 1963, up to \$2 million in fiscal year 1964, up to \$2 million in fiscal year 1965, and up to \$2 million in fiscal year 1966. Currencies obtained through these provisions will be utilized in the case of section 104(a) to finance agricultural market development activities in other countries and in the case of 104(h) to finance educational exchange programs and activities in other countries.

"(4) The Government of the United States of America may utilize Egyptian pounds to pay for international travel originating in the United Arab Republic, or originating outside the United Arab Republic when involving travel to or through the United Arab Republic, including connecting travel, and air travel within the United States or other areas outside the United Arab Republic when it is a part of a trip in which the traveler journeys from, to, or through the United Arab Republic. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under section 104 of the act. It is further understood that this travel is not limited to services provided by the United Arab Republic airlines."

I have the honor to inform you that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers your note and the present reply as constituting an agreement between our two Governments on this subject, the agreement to enter into force on today's date.

Please accept, Mr. Secretary, the renewed assurances of my highest consideration.

His Excellency Dr. MOSTAFA KAMEL,
Ambassador of the United Arab Republic.

CAIRO, June 15, 1963.

His Excellency JOHN S. BADEAU,
Ambassador of the United States of America, Cairo.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of June 15, 1963, which reads as follows:

"I have the honor to refer to the Agricultural Commodities Agreement of October 8, 1962, between the Government of the United States of America and the Government of the United Arab Republic.

"The Government of the United States of America, in response to a request from the Government of the United Arab Republic, proposed to amend paragraph 1 of article I of the agreement by adding the commodities 'tobacco' in the value of '\$1.6 million' and 'dry edible beans' in the value of '\$0.2 million,' and by increasing the amount for ocean transportation to '\$52.9 million' and the total value of the agreement to '\$391.9 million.'

"Tobacco and beans are added to the agreement on the condition that the Government of the United Arab Republic will procure and import during U.S. fiscal year 1963 from the United States of America and countries friendly to the United States of America not less than 4,500 metric tons of dry edible beans and not less than 1,500 metric tons of tobacco, in addition to the 5,500 metric tons of tobacco (including not less than 1,500 metric tons from the United States of America) as provided in the September 1, 1962 amendment to the February 10, 1962, Agricultural Commodities Agreement.

"It is proposed that this note and your reply concurring therein shall constitute an agreement between our two Governments on this matter to enter into force on the date of your note in reply."

I have the honor to inform Your Excellency that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers Your Excellency's note and the present reply as constituting an agreement between our two Governments on this subject, the agreements to enter into force on today's date.

Accept, Excellency, the renewed assurance of my highest consideration.

ABDEL MONEIM EL KAISOUNI.

OCTOBER 1, 1963.

Hon. DEAN RUSK,
Secretary of State,
United States of America.

Mr. SECRETARY: I have the honor to acknowledge the receipt of your note of October 7, which reads as follows:

"I have the honor to refer to the Agricultural Commodities Agreement of October 8, 1962, as amended, between the Government of the United States of America and the Government of the United Arab Republic.

"The Government of the United States of America, in response to a request from the Government of the United Arab Republic proposes further to amend paragraph 1 of article I of the agreement by increasing the amount for 'tobacco' to '\$19.3 million' and by increasing the amount for ocean transportation to '\$53.5 million' and the total amount of the agreement to '\$410.2 million.'

"The amount for tobacco is added to the agreement on the condition that the Government of the United Arab Republic will procure and import during each of the U.S. fiscal years 1964 and 1965 not less than 7,000 metric tons of tobacco from the United States of America and countries friendly to it, and that of this amount not less than 1,500 metric tons will be purchased and imported from the United States of America.

"For purposes of section 104(h) of title I of the Agricultural Trade Development and Assistance Act, as amended, the Government of the United Arab Republic will provide, upon request of the Government of the United States of America, facilities for the conversion of a total of \$350,000 worth of Egyptian pounds into other nondollar currencies, including \$175,000 in fiscal 1964 and \$175,000 in fiscal 1965. These amounts are in addition to those provided for in paragraph 3 of the exchange of notes of October 8, 1962.

"It is proposed that this note and your reply concurring therein shall constitute an agreement between our two Governments on this matter to enter into force on the date of your note in reply.

"Accept, Excellency, the renewed assurances of my highest consideration."

I have the honor to inform you that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers your note and the present reply as constituting an agreement between our two Governments on this subject, the agreement to enter into force on today's date.

Please accept, Mr. Secretary, the renewed assurances of my highest consideration.

His Excellency Dr. ABDEL MONEIM EL KAISOUNI,
Minister of Treasury and Planning of the United Arab Republic.

CAIRO, April 20, 1964.

H. E. JOHN S. BADEAU,
*Ambassador of the United States of America,
 Cairo, United Arab Republic.*

EXCELLENCY: I have the honor to acknowledge the receipt of your note of April 20, 1964, which reads as follows:

"I have the honor to refer to the Agricultural Commodities Agreement between our two Governments of October 8, 1962 as amended and to propose in response to a request from the Government of the United Arab Republic, that the agreement be further amended as follows:

"In paragraph 1 of article I increase the amount for 'corn' to '\$29.5 million'; add the commodities 'butter, butter oil and/or ghee' in the value of '\$1.5 million' and 'cheese' in the value of '\$0.8 million'; and increase the amount for ocean transportation to '\$54.7 million' and the total value of the agreement to '\$419.2 million'.

"The Government of the United Arab Republic agrees that it will procure and import with its own resources from free world sources at least 90 metric tons of cheese during U.S. fiscal year 1964.

"The Government of the United Arab Republic will provide in fiscal year 1966 upon request of the Government of the United States of America, facilities for conversion into other nondollar currencies for purposes of section 104(h) of the act and for the purposes of the Mutual Educational and Cultural Exchange Act of 1961 of up to \$200,000 worth of Egyptian pounds to finance educational and cultural exchange programs and activities in other countries. This amount is in addition to those provided for in the exchanges of notes of October 8, 1962 and of October 7, 1963.

"With regard to paragraph 4 of article IV of the October 8, 1962, agreement, the Government of the United Arab Republic agrees to furnish at least quarterly the following information in connection with each shipment of commodities received under the agreement; the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally, or, if shipped, where shipped. In addition, the Government of the United Arab Republic agrees to furnish at least quarterly: (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished to assure that the program has not resulted in increased availability of the same or like commodities to other nations and (b) a statement showing progress made toward fulfilling commitments on usual marketings.

"The Government of the United Arab Republic further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the agreement.

"It is proposed that this note and your reply concurring therein shall constitute an agreement between our two Governments on this matter to enter into force on the date of your note in reply."

I have the honor to inform Your Excellency that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers Your Excellency's note and the present reply as constituting an agreement between our two Governments on this subject, the agreements to enter into force on today's date.

Accept, Excellency, the renewed assurance of my highest consideration.

(S) K. R. Stino.

Dr. K. R. STINO,
Deputy Prime Minister, for Supply and Internal Trade.

MINISTRY OF SUPPLY,
 MINISTER'S OFFICE,
 Cairo, June 30, 1964.

Hon. WILLIAM O. BOSWELL,
American Chargé d'Affaires ad interim.

SIR: I have the honor to acknowledge the receipt of your note of June 30, 1964, which reads as follows:

"I have the honor to refer to the Agricultural Commodities Agreement between our two Governments of October 8, 1962, as amended, and to propose

in response to a request from the Government of the United Arab Republic that the agreement be further amended as follows:

"In paragraph 1 of article I increase the value of 'frozen poultry' to '\$2.3 million'; increase the amount for ocean transportation to '\$54.8 million'; and increase the total value of the agreement to '\$420.1 million.'

"In the notes exchanged on October 8, 1962, substitute '\$8,402,000 or 2 percent, whichever is greater' for '2 percent' in numbered paragraph 3.

"It is proposed that this note and your reply concurring therein shall constitute agreement between our Governments on this matter to enter into force on the date of your note in reply."

I have the honor to inform you, Sir, that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers your note and the present reply as constituting an agreement between our two Governments on this subject, the agreement to enter into force on today's date.

Accept, Sir, the renewed assurances of my highest consideration.

(S) K. R. Stino,
Dr. K. R. STINO,
Deputy Prime Minister.

CAIRO, July 20, 1964.

HON. WILLIAM O. BOSWELL,
American Chargé d'Affaires ad interim.

SIR: I have the honor to acknowledge the receipt of your note of July 20, 1964, which reads as follows:

"I have the honor to refer to the Agricultural Commodities Agreement between our two Governments of October 8, 1962, as amended, and to propose in response to a request from the Government of the United Arab Republic that the agreement be further amended as follows:

"In paragraph 1 of article I add commodity 'frozen and/or canned beef' value '\$9.5 million'; increase the amount for ocean transportation to '\$57 million'; and increase the total value of the agreement to '\$431.8 million'.

"In the notes exchanged on October 8, 1962, as amended, substitute '\$8,636,000' for '\$8,402,000' in numbered paragraph 3.

"The Government of the United Arab Republic will provide, upon the request of the Government of the United States of America, facilities for conversion into other nondollar currencies for purposes of section 104(h) of the act and for purposes of Mutual Educational and Cultural Exchange Act of 1961, up to \$230,000 worth of Egyptian pounds to finance educational and cultural exchange programs and activities in other countries. This amount is in addition to those provided for in the exchange of notes on October 8, 1962, October 7, 1963, and April 20, 1964.

"The Government of the United Arab Republic agrees that it will procure and import with its own resources from free world sources during calendar year 1964 at least 2,000 metric tons (product weight) of frozen and/or canned beef and/or veal and a quantity of live beef cattle and/or buffalo equivalent to at least 10,000 metric tons of dressed beef.

"The Government of the United Arab Republic agrees that beef imported under this agreement will be used only for consumption within the country.

"It is proposed that this note and your reply concurring therein shall constitute an agreement between our two Governments on this matter to enter into force on the date of your note in reply."

I have the honor to inform you, Sir, that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers your note and the present reply as constituting an agreement between our two Governments on the subject, the agreement to enter into force on today's date.

Accept, Sir, the renewed assurances of my highest consideration.

(S) K. R. Stino,
Dr. K. R. STINO,
Deputy Prime Minister for Supply and Internal Trade.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., January 29, 1965.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Department of Agriculture and Related Agencies,
Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR HOLLAND: In accordance with a request of the staff of the committee, here is a brief summary of the current status of the agreement between the United States and the United Arab Republic under title 1 of Public Law 480. A copy of the existing agreement is also attached.

Sincerely yours,

DOROTHY H. JACOBSON,
Assistant Secretary.

CURRENT STATUS OF UNITED ARAB REPUBLIC AGREEMENT, TITLE I, PUBLIC LAW 480

The current multiyear title I, Public Law 480 agreement with the United Arab Republic was signed on October 8, 1962. The agreement, as originally consummated, provided for the shipment of \$390 million worth of agricultural commodities over a 3-year period, covering fiscal years 1963, 1964, and 1965. There have been five amendments to the agreement to provide additional commodities, raising the total export market value of the agreement to \$431.8 million.

The original agreement is as follows:

Commodity	Approximate quantity			Export market value (millions)	Estimated CCC cost
	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965		
	1,000 metric tons				
Wheat and/or flour in grain equivalent.....	1,100.0	1,600.0	1,750.0	\$275.8	\$425.4
Corn.....	100.0	200.0	200.0	24.0	24.0
Vegetable oil.....	30.0	32.5	35.0	22.9	22.9
Tallow.....	30.0	37.5	45.0	12.7	12.7
NFD milk.....	.6	.6	.6	.3	.6
Frozen poultry.....	.6	.7	.8	1.5	1.5
Ocean transportation (estimate).....				52.8	52.8
Subtotal.....				390.0	539.9
	Metric tons				
1st amendment:					
Tobacco.....		1,000		1.6	1.6
Dry edible beans.....		1,000		.2	.2
Ocean transportation (estimate).....				.1	.1
Subtotal.....				1.9	1.9
2d amendment:					
Tobacco.....		11,000		17.7	17.7
Ocean transportation (estimate).....				.6	.6
Subtotal.....				18.3	18.3
3d amendment:					
Corn.....		100,000		5.5	5.5
Butter-buttermilk-ghee.....		2,000		1.5	3.3
Cheese.....		1,000		.8	1.1
Ocean transportation (estimate).....				1.2	1.2
Subtotal.....				9.0	11.1
4th amendment:					
Frozen poultry.....		1,200		.8	.8
Ocean transportation (estimate).....				.1	.1
Subtotal.....				.9	.9
5th amendment:					
Beef.....		12,000		9.5	9.5
Ocean transportation (estimate).....				2.2	2.2
Subtotal.....				11.7	11.7
Total.....				431.8	583.8

Wheat-wheat flour is by far the largest commodity component, accounting for over 60 percent of the total export market value of the agreement.

The currency proceeds accruing under this agreement are for use as follows: U.S. uses, 10 percent; 104(e) loans, 5 percent; and 104(g) loans, 85 percent.

Funds remaining available for new PA's (Jan. 28, 1965)

Commodity:	Millions
Wheat-----	\$22.432
Corn-----	
Vegetable oils-----	5.59
Tallow-----	
NFD milk-----	0.1
Poultry-----	
Tobacco-----	8.85
Dry beans-----	
Butter-butter oil-ghee-----	
Cheese-----	
Beef-----	
Total-----	36.972

Unshipped quantities from previously issued purchase authorizations

In addition to the \$37 million on which purchase authorizations have not been issued, commodities with a value of approximately \$30 million, including U.S. costs for ocean shipping, covered by previously issued purchase authorizations are still unshipped. Over half of this amount represents commodities covered by firm sales contracts between U.S. exporters and procurement agencies of the United Arab Republic.

Nature of U.S. commitment under title I, Public Law 480 agreement

Under the terms of the agreement with the Government of the United Arab Republic, the Government of the United States "undertakes" to finance the sales for Egyptian pounds of the commodities in the amounts indicated in the agreement. This undertaking is subject, however, to (1) the availability of the commodities under the act at the time of exportation, and (2) the issuance by the Government of the United States of America of purchase authorizations. The agreement provides that: "The financing, sale and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable." Further, all purchase authorizations which have been issued are by their terms expressly made subject to the provision of the regulations under which they are issued. These regulations reserve the right "at any time" and "for any reason or cause whatsoever" to revoke any purchase authorization and terminate deliveries thereunder. The regulations do, however, require Commodity Credit Corporation to reimburse U.S. exporters and suppliers for any costs incurred in connection with firm sales contracts as a result of the action canceling the purchase authorization.

Expiration date

The agreement covers the 3 fiscal years 1963, 1964, and 1965. Therefore, the period during which purchase authorizations may be issued expires at the end of fiscal year 1965.

COMMODITIES DELIVERED OR PURCHASES AUTHORIZED TO EGYPT

Senator HOLLAND. Now as supplemented that agreement does cover the full amount of \$431.8 million of U.S. surplus commodities which our Government committed itself to sell.

Secretary BALL. That is right, sir.

Senator HOLLAND. Your next sentence is one which I think requires a further statement. You state and I quote, "Of this amount," that is \$431.8 million—"all but \$37 million have either been actually delivered or are subject to purchase authorizations issued to the UAR."

Secretary BALL. That is right.

Senator HOLLAND. Meaning issued to Egypt?

Secretary BALL. Issued to the Government of the United Arab Republic, Egypt, that is right.

Senator HOLLAND. What is the nature of the purchase authorizations which you have issued to the Government of Egypt?

Secretary BALL. The purchase authorizations have been issued to the Government of Egypt in the amount of roughly \$30 million which are presently outstanding. Now after the purchase authorizations are issued, as I understand the procedure, then the Egyptian Government deals with the American grain trade for the amounts that are covered by the purchase authorizations and then the financing is worked out in the United States on the presentation of the necessary documents under those purchase authorizations.

Senator HOLLAND. Does your Department regard itself as bound or committed, when the purchase authorizations are issued to a contracting government as in the present case with the Government of Egypt?

COMMITMENT OF THE UNITED STATES

Secretary BALL. Well, I think it is one more stage in the commitment process, that is to say, a commitment which couldn't possibly be avoided as a matter of law is one thing.

A commitment between governments which has the effect of a kind of moral commitment is another matter.

Senator HOLLAND. What kind of commitment do you regard this, when you say purchase authorizations for some \$30 million of the balance of \$37 million have actually been issued?

Secretary BALL. I would say that is very far down the road toward the completion of the entire transaction so that we would regard it as extraordinary if there was any pulling back at that point from the commitment which has been made by the issue of the purchase authorizations.

Senator HOLLAND. We understand that at that stage delivery of the commodities has not been made.

Secretary BALL. That is right.

Senator HOLLAND. What I am trying to get at is, do you regard yourself as committed to go ahead and deliver those commodities when you have delivered purchase authorizations?

Secretary BALL. This is almost the invariable practice—that one erects a kind of commitment.

Now if I appear to be evasive or cautious I do not intend to evade at all the line of questioning. We have here a rather extraordinary arrangement in that, while there is a commitment which is a perfectly flat and straightforward one, there is also a provision that either government can discontinue or terminate the arrangement if it feels conditions have changed.

I want to be very frank with the committee on this. This is paragraph 5 of article (1) of the agreement. On the other hand, to the world the appearance of this agreement is a commitment made. It carries a good deal of prestige of the United States behind it. This requires an affirmative act on the part of the United States to bring about this termination. What we are suggesting to the committee is that we complete the present agreement and not exercise, or take this affirmative act.

CONTRACTS BETWEEN AMERICAN EXPORTERS AND EGYPTIAN PROCUREMENT AGENCIES

Chairman HAYDEN. May I inquire, has any commitment been made to purchase these commodities from an American firm or business?

Secretary BALL. Of the \$30 million—let me ask my colleagues from the Department of Agriculture.

Mr. ESKILDSEN. My name is P. R. Eskildsen, Association Administrator of the Foreign Agricultural Service. To answer the question, approximately half of the \$30 million worth of purchase authorizations you have been referring to have been translated into sales contracts between American exporters and procurement agencies in Egypt, but not yet shipped.

Senator HOLLAND. In other words, if I understand your statement, Mr. Eskildsen, and you are the appropriate official of the Department of Agriculture to make this statement, are you?

Mr. ESKILDSEN. Yes, sir.

Senator HOLLAND. Following the receipt of purchase commitments in the amount of some \$30 million under this contract with Egypt, \$30 million out of the total remaining of \$37 million, the matter has gone further and actual contracts have been entered into and approved by exporters of the United States to Egypt or to importers of Egypt in an amount of substantially half of the \$30 million, is that correct?

Mr. ESKILDSEN. Yes, sir. I should clarify one point. Of the total amount of the agreement which the Secretary referred to of \$431 million, there remains to be placed on purchase authorizations approximately \$37 million as he indicated. In addition to that there have been purchase authorizations in the amount of approximately \$30 million already issued of which approximately half have been translated into sales contracts.

Senator HOLLAND. Then this half of the \$30 million covered by actual sales contracts is not part of the \$37 million, is that what you are saying?

Mr. ESKILDSEN. No, sir; it is not part of the \$37 million.

Secretary BALL. If I may clarify this, Mr. Chairman, we are talking about \$67 million; \$37 million is not yet covered by outstanding purchase authorizations.

Senator HOLLAND. You mean purchase authorizations by private—

PURCHASE AUTHORIZATIONS ISSUED BY UNITED STATES

Secretary BALL. No, purchase authorizations issued by the U.S. Government to the Government of Egypt. The procedure is this; that within the framework of the 1962 agreement, which provides for a global figure, within that framework at the appropriate times each year, the Government of Egypt makes requests that the United States issue procurement authorizations for specific amounts to be purchased.

SUBALLOTMENTS BY UNITED ARAB REPUBLIC

What Mr. Eskildsen was saying is that there are \$30 million on which there are outstanding procurement authorizations. Of that \$30 million there have not only been suballocations issued with respect to about \$15 million, but there actually have been deals made by the

grain trade of the two countries with respect to that \$15 million, but the grain has not been delivered.

AUTHORIZATION AND DELIVERY

Now in addition there is the \$37 million on which there are not yet procurement authorizations outstanding, but it is covered by the global figure in the 1962 agreement. So that the total undertaking which we have with Egypt for the sale of surplus agricultural commodities includes \$37 million not covered by procurement authorizations plus \$30 million covered by procurement authorizations. That is the balance which has not yet been delivered.

Senator HOLLAND. What do you mean, then, when you say in the second sentence of the second paragraph of section 6 of your statement that all but \$37 million have either been actually delivered or are subject to purchase authorizations issued to the United Arab Republic?

Secretary BALL. That is true. All but \$37 million have been actually delivered or there are outstanding purchase authorizations issued by the U.S. Government to the United Arab Republic with respect to them.

Senator HOLLAND. You don't mean, then, that purchase authorizations to the United Arab Republic on the \$37 million have actually been issued?

Secretary BALL. Not yet, no.

Senator HOLLAND. Senator Pastore.

EFFECT OF HOUSE AMENDMENT

Senator PASTORE. But is it fair to say that the amendment passed by the House affects only the \$37 million that we are talking about?

Secretary BALL. So our lawyers advise us, Senator Pastore.

Senator SALTONSTALL. May I ask a question, Mr. Chairman?

Senator HOLLAND. Senator Saltonstall.

Senator SALTONSTALL. Mr. Ball, I listened to Secretary Rusk the other day and I have listened to you now. It boils down to this, does it not? In the State Department's judgment it is wiser to deliver \$37 million worth of wheat to Egypt than to cancel it now because it puts our Government in a better position to deal with the problems that we have with Egypt with relation to the Congo, and other subjects in the Middle East.

Secretary BALL. I would qualify that only in one respect, Senator Saltonstall. What we are suggesting is that it is wiser to let the President have the power to deliver what we have already committed.

Senator SALTONSTALL. That is what I tried to say.

Secretary BALL. In other words, I am not asking this committee this morning to say to us you go ahead and deliver what is left under the contract. What I am asking the committee to say is that you go ahead and deliver if the President feels that this is the thing to do, taking into account the circumstances and the events.

Senator SALTONSTALL. It leaves the President with discretion?

Secretary BALL. That is right.

Senator SALTONSTALL. As to how to proceed. Whereas, if this House amendment goes through, no discretion is left in the President's hands.

Secretary BALL. That is right.

Senator SALTONSTALL. And we can't horse trade, if you want to call it, with Nasser as to what other problems we may have with him.

Secretary BALL. That is right. And we are talking only about the completion of the contract. We are not suggesting anything more to the committee at this point.

Senator HOLLAND. May I correct just one thing? I think, Senator Saltonstall, when you said \$37 million of wheat you meant wheat and other commodities.

Senator SALTONSTALL. That is right.

MODIFICATION OF HOUSE AMENDMENT

Senator PASTORE. Would the State Department accept a modification of that amendment along the line that the Senator says, leaving it up to the President to exercise his judgment?

Secretary BALL. We would be quite happy to have it amended in that form. Our interest, Senator Pastore, is simply to reserve to the President the power to deal with what we regard as a matter of very critical importance.

Senator PASTORE. Rather than a straight elimination of the amendment, you would be glad to accept a modification?

Secretary BALL. We would be glad to accept one and I am sure we can work one out with the committee staff.

Senator HOLLAND. The contract, itself, permits even at this stage a withdrawal of our country from the commitment of the 3-year contract as to \$37 million worth of commodities only.

Secretary BALL. That is right.

Senator HOLLAND. But the question of the wisdom, of the timeliness of the actuality of that withdrawal, you think, should be left to the President in his conduct of foreign relations.

Secretary BALL. This is what I am suggesting to the committee, Mr. Chairman; yes, sir.

Senator HOLLAND. Are there other questions?

Senator YOUNG. Yes, I would like to ask two or three questions.

Senator HOLLAND. Senator Young.

PUBLIC LAW COMMODITIES AND AID LOANS TO EGYPT

Senator YOUNG. I understand that, during 1964, we sold or gave Egypt \$143.1 million in agricultural commodities under Public Law 480; is that correct?

Secretary BALL. I believe that is correct.

Senator YOUNG. We gave them, in AID loans, another \$1.4 million in AID or a total of \$144½ million; am I correct?

Secretary BALL. Yes; that is substantially correct, except that the \$1.4 million was grant technical assistance.

Senator YOUNG. Since the beginning of the Public Law 480 program, we have sold Egypt \$705,800,000 worth of farm commodities; is that correct?

Secretary BALL. I believe it is larger than that.

Senator YOUNG. The figure I have is \$705,800,000.

Secretary BALL. Through 1964, the total value of Public Law 480 sales was about \$825 million.

Senator YOUNG. Were there any sales for dollars?

SALES FOR DOLLARS TO EGYPT

Mr. ESKILDSEN. There have been no sales for dollars to Egypt that are made part of this agreement, Senator.

Secretary BALL. But there is the ordinary provision with regard to the Senator's question; that is, that this agreement must be applied in such a way as not to interfere with normal commercial procurement by Egypt.

Mr. ESKILDSEN. I might clarify what I said in one respect, Senator. We do have in our current agreement with Egypt a provision with respect to the sale of one commodity I know of, which is poultry, a requirement that they do purchase for dollars a certain amount of this commodity related to the agreement itself. I believe those purchases have not yet been made, although I am not positive of that.

Senator YOUNG. What has been the disposition of this \$705 million in currency? How much do we hold to our credit? What has been done with these funds?

Mr. ESKILDSEN. I did not hear the last part of your question.

Senator YOUNG. What has been the disposition of the \$705 million?

Mr. ESKILDSEN. A provision in the agreement calls for addition of the use of those proceeds. We have spelled out in percentages. In the last agreement, 10 percent for U.S. uses, 5 percent for so-called Cooley loans; that is, loans to private industry, and the remainder of 85 percent for loans for economic development in Egypt.

Secretary BALL. I can give you some figures on this if you would like.

Senator YOUNG. I would like to have the amount of money we loaned to them.

(The information referred to follows:)

OCTOBER 8, 1962, PUBLIC LAW 480 SALES AGREEMENT—LESS \$37 MILLION
UNSHIPPED

U.S. dollar allocation per sales agreement_____	\$394, 800, 000
U.S. uses (10 percent of deposits)_____	39, 480, 000
Cooley loans (5 percent of deposits)_____	19, 740, 000
104(g) loans (15 percent of deposits)_____	335, 580, 000

TOTAL COMMUNIST AID TO THE UNITED ARAB REPUBLIC SINCE 1955

In excess of \$1 billion, of which amount \$885 million is from Soviet Russia:
Total free world (non-U.S.) aid the United Arab Republic since 1955, \$1,185 million.

Total U.S. dollar aid (loans and grants), \$203 million.

Total Public Law 480 assistance—title I, \$824,740,000.

Secretary BALL. This is up to the end of last year from 1955. The amount for U.S. uses: There has been deposited in the local currency account roughly \$114 million. There has been used out of that \$45 million. The so-called Cooley loans, which are the loans for U.S. businesses: The amount accrued on that is \$58 million. There has been a million dollars used. The grants under section 104(E): There has been accrued \$36 million and we have used \$3 million. The loans under 104(g), which are the loans for development purposes: There has been accrued \$463 million and used \$434 million.

COMMODITIES AND OTHER ASSETS FURNISHED PURSUANT TO 3-YEAR AGREEMENT

Senator HOLLAND. May I ask a question, Senator Young? Would it be appropriate, do you think, for us to ask the Secretary and the Department of Agriculture to include for the record a full listing by commodities of everything which has been done under this outstanding 3-year agreement?

Senator YOUNG. I think it should be done.

Secretary BALL. We will be very happy to, Mr. Chairman.

(The material referred to follows:)

STATUS OF TITLE I, PUBLIC LAW 480 PROGRAMING WITH THE UNITED ARAB REPUBLIC UNDER THE MULTIYEAR AGREEMENT SIGNED ON OCT. 8, 1962, COVERING FISCAL YEARS 1963, 1964, AND 1965

[In millions]

Commodity	Purchase authorizations issued	Remaining available funds
Wheat/wheat flour.....	\$253.368	\$22.4
Corn.....	32.487	
Vegetable oils.....	14.323	5.6
Tallow.....	12.700	
NFD milk.....	.158	.1
Poultry.....	2.3	
Tobacco.....	10.450	8.9
Dry beans.....	.200	
Butter/butter oil/ghee.....	1.491	
Cheese.....	.809	
Beef.....	9.500	
Total.....	337.786	37.0

NOTE.—In addition to the above dollar values for commodities the agreement provides an estimated amount of approximately \$57 million for U.S. financing of ocean transportation required for shipment of commodities in U.S.-flag vessels in accordance with the provisions of the Cargo Preference Act.

REACTION TO NASSER STATEMENT

Senator YOUNG. What action did the U.S. Government take when Mr. Nasser told us in effect to go jump in the lake or go to hell or something like that?

Secretary BALL. This I could amplify off the record, but I may say that the sequence of events was something like this: That following the rescue operation which we undertook for humanitarian purposes in the Congo, there was a riot which took place in Cairo which resulted in the burning of the U.S. Information Service library. The protests, of course, were made on this. The Government of the United Arab Republic offered a villa on a temporary basis until the building could be restored. Mr. Nasser offered a gift of his own of a thousand books for the library and there is an undertaking to negotiate the damage so that there could be compensation paid. At this time, our Ambassador in Cairo, Mr. Battle, in conversation with an official of the United Arab Republic, indicated that the situation was not such that we could undertake any discussion of aid matters which the Government of Egypt had suggested. It was immediately following that that Mr. Nasser made the speech to which you referred. Matters, obviously, of this kind have been in suspension since that time. Just how the state of our relations will evolve is something, as I say, that I

cannot predict exactly. The only point that is before this committee so far as my Department is concerned is how much flexibility the President should have in dealing with this problem.

Senator HOLLAND. Will you yield for a question right there?

SUSPENSION OF AID DISCUSSIONS

Did I understand you to say that following this outrageous burning of the library and the coming up of the discussions concerning it that the officials of Egypt were informed by our officials that under that situation there could be no discussion at this time of any further aid to Egypt?

Secretary BALL. That is right. The Ambassador said the climate was not such that this could be usefully discussed.

Senator HOLLAND. That is the situation now existing?

Secretary BALL. This is the situation now.

Senator YOUNG. Did Mr. Nasser indicate a different attitude after he made a very harsh statement? That was a harsh one after all the assistance we have given him.

Secretary BALL. If I may, Mr. Chairman, I would like to have an opportunity to amplify this to the committee, but I really feel that this is the kind of testimony which probably should be heard in executive session.

Senator HOLLAND. You mean as to any further discussion?

Secretary BALL. Yes, any further discussion of this particular situation.

Senator HOLLAND. I think that is appropriate. I hope, Senator Young, you will renew the subject in executive session.

CURRENT UAR ATTITUDE

Senator YOUNG. How I vote on this will be determined in a large measure by what Mr. Nasser's present attitude is.

Senator HOLLAND. I know we are deeply concerned with that. I have gone into that in some detail. I am sorry I could not attend the session at which Secretary Rusk was questioned by the Committee on Foreign Relations and other Senators who attended. This so-called executive flu is no respecter of departments. It hit me also, although I am not a member of the executive department. I was tied up on that particular day.

Secretary BALL. It operates at both ends of Pennsylvania Avenue, Mr. Chairman.

Senator PROXMIRE. As I understand it, Mr. Ball, we agreed originally to deliver \$390 million. We already delivered or have subject to purchase authorizations of \$394 million.

Secretary BALL. That is right.

Senator PROXMIRE. There was an additional \$41 million, apparently, that was amended into the agreement.

Secretary BALL. At different stages from 1962 on.

Senator PROXMIRE. So, we have more than met the original commitment.

Secretary BALL. Yes.

LIMITATION ON PRESIDENT BY AMENDMENT

Senator PROXMIRE. Those who sponsored this amendment in the House have said that they feel the President can meet this commitment even if the House language stays in the bill. I have seen no repudiation of that position or rebuttal of it. It is my understanding that they contend that whether the House amendment stays in or not there are other ways in which the President can see that this commitment is delivered.

Secretary BALL. Let me say with respect to that, Senator Proxmire, that if the House amendment remains in its present form certainly the President would take this as a very strong expression on the part of Congress that this agreement should not be completed and we are not proposing to try to find ways and means to go around the will of the Congress.

Now, as we understand it, what is really affected by this amendment would be the ability of the President to fulfill the remaining balance under this agreement during this fiscal year. But I think that this committee can assume that, if the amendment passes in its present form, this would certainly be regarded by the executive department as a very clear indication that Congress did not want us to go forward.

Senator PROXMIRE. Thank you, Mr. Chairman.

Senator HOLLAND. Senator Mundt.

THE TERMS "COMMITTED" AND "SELL" DEFINED

Senator MUNDT. Mr. Secretary, I am concerned primarily about these words "committed" and "sell." I am not one who believes in reneging on agreements which the United States has made, whether wisely made or not. However, it seems to me that the State Department has been mighty careless about the contents of some of these contracts under the term "sell" U.S. surplus commodities.

Let me ask you first, then, when you say "committed," that denotes that we have some kind of quid pro quo and we agreed to sell \$431,800,000 of U.S. surplus commodities. What did we get in return in that commitment?

Secretary BALL. So far as the specific terms of the agreement are concerned, of course, what we received was local currency. So far as the objectives of the Public Law 480 program, itself, are concerned, the compensation may be somewhat less tangible. But when I used the word "committed" I also made quite clear to the committee that this was the kind of commitment that could be terminated by an affirmative act under the explicit language of the agreement. I don't want to be in a position at all of trying to suggest to the committee that this is a commitment that goes any further than it, in effect, does.

Senator MUNDT. But there will be no element of bad faith if we follow the House action.

Secretary BALL. I don't think "bad faith" is the term I would use here. I think that there is a difference in the way in which an action of ours could be used for propaganda effect or the way in which it could be construed or misconstrued by the world.

This is what we are really talking about. I think that the extent to which other nations which now have outstanding arrangements with

us would be affected by a decision on our part to exercise the right to take affirmative action to terminate an outstanding agreement is really what is in issue.

Senator MUNDT. Do you think that impact on other nations would be good or bad from our standpoint?

RESERVATION OF PRESIDENTIAL POWER

Secretary BALL. I think it would cause some difficulties if we were to terminate this outstanding agreement. But, again, Senator Mundt, I am not suggesting that we are not going to, no matter what action this body may take. All I am saying is that I think this is a matter where so far as the completion of the outstanding agreement is concerned, the President should have the power to complete it, if the circumstances at the time are such that he feels that this advances the interest of the United States.

CONCORDANCE BY PRESIDENT AND CONGRESS

Senator MUNDT. I want to straighten out that thing, first, because there has been some misunderstanding, and some editorial comment, that Congress would be committing an act of bad faith. Now, we agree that is not true. Also, there are some persuasive reasons back of the logic you present providing Congress can become a sort of partner in this bargaining process and that you don't ask us to, in effect, vote approval of Nasser policies or to give him a clean bill of health or to give him a vote of confidence.

Now, when we use the word "sell" what we are saying there is that we are selling these commodities to Nasser under a currency arrangement whereby 85 percent of what we get for our products go to his benefit more than to ours, that is correct, isn't it?

Secretary BALL. Yes. Sale is the language of the congressional legislation.

Senator MUNDT. Just so we all understand the facts. So that what we get is really 15 percent of the total which you can say is the coolie part of the 10 percent we can use willy-nilly, this is what we get. Five percent of the purchase price goes around the circle and goes back in his coffers.

Secretary BALL. It is re-lent to him.

LOSS INCIDENT TO BURNING OF USIA LIBRARY

Senator MUNDT. Now, how much damage in terms of dollars do you estimate occurred because of the burning and sacking of our USIA library?

Secretary BALL. I don't know whether the figures have been determined; I hesitate to put them on the record until I am sure because it will become the subject of negotiations.

Senator MUNDT. Can you give us a top guess?

Secretary BALL. Let me say that in the neighborhood of a half million dollars without being more precise than that. Now, hopefully this is a matter for which compensation would be negotiated.

SUGGESTED MODIFICATION OF AMENDMENT

Senator MUNDT. What would you think of a congressional mandate which would not take the House approach, but would say that if the remainder of \$37 million is to be made available under the terms of this commitment it will be done only after renegotiations of some kind have been made so that the United States is reimbursed in full from this 85 percent that belongs to Nasser for the restoration of our library, so that at least we could officially frown in a legitimate manner on what they have done and still give us a bargaining power on the rest of it.

Secretary BALL. I would like to consider this, Senator Mundt. It raises some questions. Let me say that I feel quite satisfied that we can develop with the committee some language.

Senator MUNDT. You have no language to suggest now?

Secretary BALL. We don't, ourselves, have language to suggest. I believe various members of the committee have indicated one time or another while we have been talking with them that they might have some proposals to make.

Senator MUNDT. I have indicated one out loud. You don't wish to comment?

Secretary BALL. I would like to discuss this in executive session. We are quite flexible in our approach to this problem. What we want to do is to save the President's ability to deal with a critical situation.

Senator MUNDT. That is all, Mr. Chairman.

Senator SALTONSTALL. Mr. Chairman?

Senator HOLLAND. Senator Saltonstall.

AID TO EGYPT FROM OTHER COUNTRIES

Senator SALTONSTALL. May I ask Mr. Ball these two general questions as one. How much aid has Egypt received from other countries and from international organizations over a period of 10 years? That might help us in the record.

Secretary BALL. We will be glad to put that in. There is very substantial aid from the Soviet Union, of course. (This information appears earlier in the hearing.)

Senator SALTONSTALL. If so, what types of aid are we committed to give Egypt in the fiscal year 1966 as well as the fiscal year 1965? Are we committed to give any beyond what you have stated?

Secretary BALL. My understanding is that there is no commitment for the fiscal year 1966.

Senator SALTONSTALL. So that the only firm commitment we have is to complete this 3-year agreement?

Secretary BALL. That is right.

Senator SALTONSTALL. Thank you, Mr. Chairman.

Senator ELLENDER. Mr. Chairman?

Senator HOLLAND. Senator Ellender.

FUTURE PROMISES TO UNITED ARAB REPUBLIC

Senator ELLENDER. Mr. Ball, when you say "affirmative commitment," was that negotiated after the original agreement was entered into?

Secretary BALL. No; what I am referring to is the agreement of 1962 after it has been supplemented by amendments which have increased the total amount agreed on at that time.

Senator ELLENDER. Now, are we presently promising to make any further agreements with Nasser should the current agreement be carried through?

Secretary BALL. No; in fact, what we have indicated to the Government of the United Arab Republic is that the time is not such as to be propitious for any discussion of aid problems at all.

Senator ELLENDER. To your knowledge, has any discussion been had with respect to further agreements?

Secretary BALL. No; we refuse to discuss any further agreement.

Senator ELLENDER. And it is not your intention to do so?

Secretary BALL. Let me say with respect to this that whether there would be any further agreements with regard to Public Law 480, assistance is a matter which would have to be fully reviewed with this committee and with the Congress when we come up for appropriations for the following fiscal year. Certainly, there will be nothing more in this fiscal year, and that question is one which will be fully reviewed with you in the light of the circumstances at that time. So there is nothing intended now.

CONGRESSIONAL LIMITATION ON FUTURE DEALINGS WITH UAR

Senator ELLENDER. In all probability, you will be guided by whatever authorization is made in the future foreign-aid bill.

Secretary BALL. We would review this matter fully with the Congress.

Senator HOLLAND. This is under Public Law 480.

Senator ELLENDER. I understand that. But if we see fit, we may put something in the foreign aid bill to prevent any further dealing with Nasser. That is what I am speaking about. Of course, the Secretary would be guided by what we put in that bill.

Secretary BALL. We would certainly take into account what the position of Congress would be on that. If there is a prohibition we would abide by it. As I say, this is a matter we would discuss in the light of the circumstances then existing. This is a highly moving situation and I am reluctant to say what the situation may be 6 months from now.

SOLE U.S. OBLIGATION TO UNITED ARAB REPUBLIC

Senator ELLENDER. You are now telling the committee, then, that our only obligation to Nasser is contained in the particular agreement under discussion and that no promises have been made to renew or extend more aid to Nasser after the termination of this agreement.

Secretary BALL. That is right, sir.

Senator ELLENDER. Thank you.

Senator HOLLAND. Are there further questions?

Senator BARTLETT. Mr. Chairman?

Senator HOLLAND. Senator Bartlett.

AGREEMENTS WITH UNITED ARAB REPUBLIC PRIOR TO BURNING OF LIBRARY

Senator BARTLETT. Did you indicate conversations might have been underway looking toward a new agreement if the library had not been burned?

Secretary BALL. What I said was that when the Egyptian Government approached us for a discussion of additional aid they were told by our Ambassador that the situation was not such, the climate was not such that any such discussion could be appropriately undertaken.

Senator BARTLETT. Was this after the library had been burned?

Secretary BALL. It was after the library had been burned.

Senator BARTLETT. Had it been our intention before that to discuss the subject with Egypt?

Secretary BALL. I think in the normal course there would have been discussions. What they would have come to is something else.

ASWAN DAM CRISIS REACTION

Senator BARTLETT. If it is appropriate, could you explain a bit more, Mr. Ball, what you meant on page 3 of your statement when you said the Aswan Dam crisis triggered a swift chain reaction.

Secretary BALL. If you will recall the circumstances of the Aswan Dam, after there had been an American rejection of the financing of the dam, there followed the nationalization of the canal, the attack on Egypt, the shutting down of the canal for a period of time. This was followed by the cutting of the pipeline in Syria.

It was followed by a very considerable increased expansion of Soviet influence in the Middle East and this led, ultimately, to the problems in Lebanon which brought about the introduction of our own troops into that country.

Now, I only mention this, and I don't want the committee to think that what I am suggesting is that these things are automatic or that history repeats itself invariably, because that certainly is not the case. What I am suggesting is that this is not only a very critical area of the world, but also a very volatile area of the world and that it is an area where the United States must, it seems to me, trace out its lines of policy, its lines of negotiation, with great coolness and with great caution because there are enormous things at stake here; all the time having only one guidepost, and that is how do we protect most effectively the interests of this country and of the free world. That is what we are trying to do.

UNITED STATES POLICY TOWARD UNITED ARAB REPUBLIC

Following the period of turmoil in the 1950's, about 1959 the United States moved into an effort to try to build back some kind of relationship with the Government of the United Arab Republic, with the thought that by having a continuing relationship we might be able to exercise a moderating influence on the Arab world and, therefore, better advance the U.S. interests. This policy was begun in 1959, it was pursued in 1960. When the Kennedy administration came into responsibility in 1961, it was very carefully examined and the decision

was made to continue along this general line. This has been the line of policy which has been followed up to this point.

Now, whether it is feasible to continue along this line is something which has to be very critically looked at in the light of the circumstances as they evolve. There is only one point that I am trying to make to the committee: That in the course of examination that we leave the President with the kind of flexibility we need during the balance of this fiscal year to carry out this agreement if he deems it in the best interest of the United States to do so.

EGYPTIAN CURRENCY FOR COMMODITIES

Senator BARTLETT. Payment for these commodities is made in Egyptian pounds?

Secretary BALL. That is right.

Senator BARTLETT. Where is that money maintained?

Secretary BALL. I think those local currencies are maintained by the Treasury in banks in Egypt.

VALUE OF AMERICAN DOLLAR AND EGYPTIAN POUND COMPARED

Senator BARTLETT. What is the relation of the dollar in Egyptian pounds versus what the price was when this agreement was made?

Secretary BALL. Could I put a statement on that in the record, Senator Bartlett?

Senator BARTLETT. Certainly. That is all.

(The statement referred to follows:)

RELATIVE VALUE OF EGYPTIAN POUND TO AMERICAN DOLLAR SINCE 1955

From 1955 until the second quarter of 1962 the pound was valued at \$2.87.

During the second quarter of 1962, as part of a stabilization agreement established by the International Monetary Fund, the Egyptian pound was devalued by 20 percent.

From 1962 until the present the pound has been valued at \$2.30.

Senator HOLLAND. Thank you, Senator Bartlett.

Are there other questions?

STATUTORY AUTHORITY FOR 3-YEAR AGREEMENT

I would like to pursue one matter a little bit, Mr. Secretary. Of course, the Congress passed Public Law 480 and the amendment thereto. It is the body which would have to set up such a program which becomes law then with the approval of the President. Under that law, the Department of State and the President were specifically authorized to make such agreements as this 3-year agreement with amendments which you have referred to?

Secretary BALL. That is right.

Senator HOLLAND. And which are now in the record?

Secretary BALL. That is right.

Senator HOLLAND. I note in looking at this agreement that the parties to it are stated to be the Government of the United States—let us read this. The signature is for the Government of the United States

of America and the signing authority is an official of the Department of State, Mr. Phillips Talbot.

Secretary BALL. That is right, sir.

Senator HOLLAND. And for the Government of the United Arab Republic, the signing authority is their Ministry of the Treasury, Dr. Kaissouny.

EFFECT OF HOUSE AMENDMENT

I think it has been shown by the record that the Congress certainly has the power to withdraw that authority and to call off Public Law 480 and in its further relation to Egypt insofar as this \$37 million of undelivered commodities is concerned. The question I want to ask you is this: How would the withdrawal of that authority from the designated executive branch which had negotiated this agreement and has carried it over 3 years to almost full completion, how would the withdrawal of the authority at this time affect the standing, stature, and prestige of the State Department and of the executive department in its dealings with Egypt or with foreign nations in general?

Secretary BALL. I think, Mr. Chairman, that for the Congress to withdraw from the President, which is the way they would have to do it under the language of the statute, the power to complete the transactions under this agreement would tend to impair the President's ability to conduct effective foreign policy with the United Arab Republic at this time, because I think it would be an indication not only to Egypt but to other countries with whom he is conducting foreign relations, that an agreement entered into by an executive department is one that will not be carried out merely at the will of the President, but that it might be interfered with by the action of the legislative branch.

I don't believe that this would be useful, and I can see some very harmful effect, not only in our relations with Egypt, but elsewhere. At the same time, let me say, sir, that I am not saying to the committee that the President is necessarily going to carry out this agreement himself. If he makes the decision to exercise the affirmative right to terminate, then he will be doing it as a part of the conduct of the total relationship with Egypt and of the negotiations which will be carried forward.

Senator SALTONSTALL. What you are saying is that it eliminates any alternatives that it might be possible for the President to carry out.

Secretary BALL. That is right, Senator Saltonstall. That is said very well.

Senator HOLLAND. In effect, if I have understood your last statement, it is this; that even though the President does not recognize at this stage the authority of Congress to take away his power under an executive agreement such as this is, made by prior authority given by Congress, the executory agreement in the field of foreign relations, that you feel that the showing of willingness to withhold authority previously given would be hurtful to him, the President, and to the Department which carries out his decisions, the Department of State, in its relations not only with this particular foreign power, Egypt, but in general.

Secretary BALL. That is the position I am suggesting, Mr. Chairman.

NEGOTIATIONS FOR FUTURE PUBLIC LAW 480 AID

Senator HOLLAND. Are we to understand from what you have said heretofore that at this stage of troubled relations under the statement made by the Ambassador to the appropriate official of the Egyptian Government no negotiations are now underway for the further extension of Public Law 480 aid or other foreign aid to the Government of Egypt.

Secretary BALL. That is right, Mr. Chairman.

Senator HOLLAND. Are there further questions?

Well, I thank you all for your forbearance.

(Whereupon, at 11:15 a.m., Monday, February 1, 1965, the committee proceeded to other business in executive session.)

LIST OF WITNESSES

	Page
Ball, George W.....	75
Beach, Robert P.....	1
Eskildsen, C. E.....	75
Godfrey, Horace D.....	1
Grant, Charles L.....	1
Murphy, Charles S.....	1

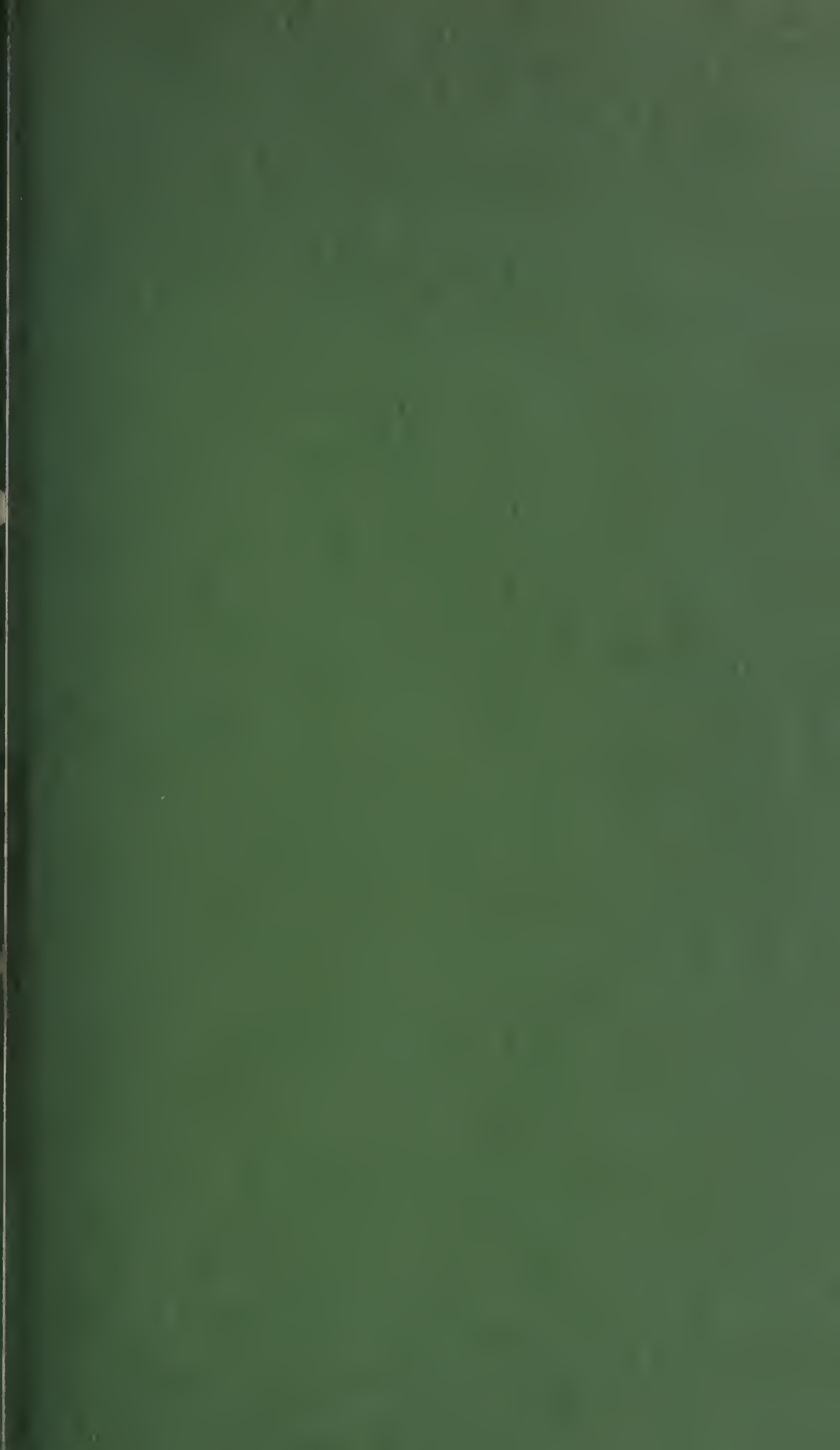
INDEX

	Page
Commodity Credit Corporation ; Reimbursement for net realized losses-----	1
Borrowing authority, status of-----	17
Budget request, 1965-----	13
Godfrey, Horace D., statement of-----	8, 22, 43
Interest costs on unrecovered balances-----	16, 23, 34
Inventories :	
Investment in-----	35
Reevaluation, 1961-----	14, 35
Spoilage costs-----	37
Justifications-----	3
Operating balances-----	24
Wheat :	
Effects of legislation-----	46
Sales, domestic-----	47
Storage costs-----	63
Communist aid to UAR-----	94
Egyptian pound, relative value to American dollar-----	102
Foreign assistance programs-----	4, 45
Public Law 480-----	4, 45
Dollar sale, title IV-----	54
Inclusion of costs in farm program-----	18
Justifications-----	4
Sales agreements-----	55
Title I, status of-----	95
United Arab Republic-United States agricultural agreement re commodities-----	80
Current status of agreement-----	88
Use of foreign currencies-----	10, 13, 66
Wheat sales, for export-----	44, 59
International Wheat Agreement-----	6, 56
Justifications-----	6
Gold reserves-----	12
Special milk program-----	49, 72

INDEX OF TABLES AND CHARTS

Bartered materials for supplemental stockpile, 1964, 1965 estimate and 1966 estimate, of cost and fund applied.....	Page 65
Bartered material for supplemental stockpile, explanation of estimated unused portions, 1965 appropriation.....	65
Borrowing authority, fiscal year 1965 (changes in needs from those reflected in 1965 budget).....	11
CCC borrowing authority, status of, comparison of 1964 as reflected in 1965 budget and actual 1964.....	44
CCC realized losses, 1963-65 estimate, by commodity.....	28
CCC realized losses, 1963-65 estimate, by program.....	27
CCC summary of appropriation requests compared with appropriations and costs recoverable from appropriations, Public Law 480, 1961-65.....	52
Domestic and foreign donations of commodities from CCC inventories, 1961-65.....	21
International Wheat Agreement, comparing of 1964 budget estimate of costs with actual.....	62
International Wheat Agreement, shipment by types, comparison of 1965 budget estimate with current estimate.....	61
Long-term credit and supply contracts, title IV compositions of amount to be recovered from foreign governments.....	56
Losses resulting from sale of deteriorated commodities and inventory losses due to shrinkage and spoilage, 1961-64.....	40
Net losses, CCC, budget estimates and appropriations, fiscal years 1957-64.....	26
Price-support inventories by type of storage and commodity as of Nov. 30, 1964.....	36
Public Law 480, sale of surplus commodities for foreign currencies, net costs, 1955-65 estimates.....	12
Sale costs under title I, Public Law 480, 1965, by commodity.....	53
UAR agreement, title I, Public Law 48, current status.....	88





LEGISLATIVE HISTORY

Public Law 89-2
H. J. Res. 234

TABLE OF CONTENTS

Index and summary of H. J. Res. 234	.1
Digest of Public Law 89-2	.2

INDEX AND SUMMARY OF H. J. RES. 234

- Jan. 19, 1965 House received from the President proposed supplemental appropriation estimates for 1965. H. Doc. 59. Print of document.
- Jan. 21, 1965 Unanimous consent granted that it be in order for the House to consider a resolution making appropriations.
- Jan. 25, 1965 Rep. Mahon urged prompt action to provide supplemental appropriations for Commodity Credit Corp.
- Jan. 26, 1965 House Appropriations Committee reported H. J. Res. 234 without amendment. H. Rpt No. 2. Print of bill and report.
- Jan. 27, 1965 H. J. Res. 234 was referred to the Senate Appropriations Committee. Print of bill as referred.
- Feb. 1, 1965 Senate committee reported H. J. Res. 234 with amendments. S. Report No. 52. Print of bill and report.
Sen. Holland submitted proposed amendments.
Summary of committee actions.
- Feb. 2, 1965 H. J. Res. 234 made Senate's unfinished business. Several Senators offered proposed amendments.
- Feb. 3, 1965 Senate passed H. J. Res. 234 with amendments. Senate conferees were appointed.
Print of bill as passed by Senate.
- Feb. 8, 1965 House conferees were appointed.

Sen. McClellan appointed as conferee in lieu of Sen. Russell.
- Feb. 10, 1965 Both Houses received and agreed to the conference report.
- Feb. 11, 1965 Approved: Public Law 89-2.

Hearings: House and Senate Appropriations Committees.

DIGEST OF PUBLIC LAW 89-2

SUPPLEMENTAL APPROPRIATIONS, 1965.

Provides \$1,100,000,000 reimbursement for net realized losses, Commodity Credit Corporation; \$250,000,000 for Public Law 480, Title I, sale of surplus agricultural commodities for foreign currencies, \$200,000,000 for Public Law 480, Title IV, long-term supply contracts; and \$50,000,000 for the International Wheat Agreement. Prohibits the Department of Agriculture from using funds prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research. Prohibits the use of Public Law 480 funds during the Fiscal year 1965 to finance the export under title I of any agricultural commodity to the United Arab Republic except when such exports are necessary to carry out the October 1962 sales agreement and if the President determines that the financing of such exports is in the national interest.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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Issued January 21, 1965
For actions of January 19, 20, 1965
89th-1st; No. 12
and 13

CONTENTS

Acreage allotments.....19	Foreign aid.....8,13	Public works.....2,18,28
Appalachia.....1,28	Foreign trade.....9	Reclamation.....5,15
Appalachian trail.....23	Great Lakes.....32	Research.....12
Appropriations.....7	Health benefits.....17	Rice.....30
Area redevelopment....6,27	Imports.....34	Roads.....31
Budget.....26	Inaugural address.....11	Sick leave.....17
Cotton.....19	Lands.....24	Supplemental
Cropland retirement.....16	Legislative procedure...20	appropriations.....7
Economic development..1,32	Life insurance.....17	Tangerines.....34
Education.....33	Minerals.....21	Water pollution.....10
Fisheries.....25	National defense.....3	Water resources.....29
Farm labor.....14	Personnel.....17	Wheat.....16
Federal aid.....32	President's message...3,11	
Flood control.....22	Property.....4	

HIGHLIGHTS: House received supplemental appropriation estimate for USDA. Sen. Nelson submitted amendment to Appalachia bill to extend program to other regions. Sen. McGovern and others introduced and Sen. McGovern discussed wheat bill. Rep. Anderson defended the work of the Select Committee on Government Research.

SENATE - Jan. 19

1. APPALACHIA; ECONOMIC DEVELOPMENT. Sen. Nelson submitted an amendment intended to be proposed to S. 3, to provide public works and economic development programs in the Appalachian region, and stated that the amendment "is designed to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia." He stated that in addition to the upper Great Lakes area, the proposed program could possibly be extended to the Ozarks; the northwestern mountain regions; the upper New England area; the desert high plateau corner of Utah, Colorado, New Mexico, and Arizona; and parts of the Deep South. pp. 886-7
Sens. Gore, Mondale, and Yarborough were added as cosponsors of of S. 3, the Appalachia bill. p. 887

2. PUBLIC WORKS. Sens. Hartke and Yarborough were added as cosponsors of S. 110, to increase the appropriation authorization to carry out the provisions of the Public Works Acceleration Act. p. 887
3. NATIONAL DEFENSE. Received the President's message on national defense (H. Doc. 54). pp. 849-53
4. PROPERTY. Received from GSA a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies"; to Government Operations Committee. p. 853
5. RECLAMATION. Sen. Young, N. Dak., inserted and endorsed a N. Dak. Legislature resolution favoring reauthorization of the Garrison diversion irrigation project. pp. 888-9
6. AREA REDEVELOPMENT. Sen. Byrd, W. VA., commended the service of former Secretary of Commerce Hodges and his support of the area redevelopment program. p. 902

HOUSE - Jan. 19

7. APPROPRIATIONS: Received from the President proposed supplemental appropriations for the fiscal year 1965 for the Department of Agriculture as follows:

Commodity Credit Corporation:

Reimbursement for net realized losses \$1,180,853,000

Public Law 480:

Sale of surplus agricultural commodities
for foreign currencies (Title I) 273,000,000
Long-term supply contracts (Title IV) 233,400,000

International Wheat Agreement 54,956,000

Total \$1,742,209,000

The proposed supplemental appropriations are to reimburse the Commodity Credit Corporation for net realized losses sustained in the fiscal years 1962 and 1963 and for estimated costs incurred through 1965 under P.L. 480 and the International Wheat Agreement. (H. Doc. 59) p. 953

8. FOREIGN AID. Rep. Martin, Ala., criticized the President's foreign aid message and stated "it is not fair to the people...to present budget requests in terms of juggled figures and statements which makes us believe we are spending less money when the fact is we are spending more." p. 928
9. FOREIGN TRADE. Rep. Adams submitted a bill which he asked be substituted for the text of the bill which was included in his remarks at the time he introduced H. R. 3028, to provide for an Export Expansion Act of 1965. pp. 923-5
10. WATER POLLUTION. Rep. Fraser inserted a speech by Sen. Nelson which he called "an eloquent appeal for conservation of our river resources." pp. 949-51

PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE
DEPARTMENT OF AGRICULTURE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE FISCAL
YEAR 1965 IN THE AMOUNT OF \$1,742,209,000 FOR THE DEPART-
MENT OF AGRICULTURE

JANUARY 19, 1965.—Referred to the Committee on Appropriations, and ordered
to be printed

THE WHITE HOUSE,
Washington, January 19, 1965.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture.

The details of these proposed appropriations, the necessity therefor, and the reasons for their submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 18, 1965.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration proposed supplemental appropriations for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,180,853,000.

PUBLIC LAW 480

For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$273,000,000; and (2) long-term supply contracts pursuant to title IV of said Act, \$233,400,000.

INTERNATIONAL WHEAT AGREEMENT

For an additional amount for expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$54,956,000, to remain available until expended.

These proposed supplemental appropriations are to provide urgently needed funds to carry out the mandatory price support and related programs of the Commodity Credit Corporation. The funds would reimburse the Corporation for price support and related losses realized through the fiscal year 1963, and for costs incurred through fiscal year 1965 under Public Law 480 and the International Wheat Agreement.

The urgent need for funds arises primarily because of lower than estimated sales of feed grains and wheat, and larger than estimated production of cotton and tobacco. In addition, funds appropriated to reimburse the Corporation for its costs and losses were less than requested in the 1965 budget.

The amounts requested herein will be included in the totals of the budget to be transmitted to the Congress this month.

I recommend that the foregoing proposed supplemental appropriations be transmitted to the Congress.

Respectfully yours,

KERMIT GORDON,
Director of the Bureau of the Budget.

○

Mr. BROCK.

Mr. FULTON of Pennsylvania in five instances.

(The following Members (at the request of Mr. HUNGATE) and to include extraneous matter:)

Mr. FASCELL in two instances.

Mr. MONAGAN.

Mr. RACE.

Mr. HAWKINS in two instances.

Mr. FRASER.

ADJOURNMENT

Mr. HUNGATE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, January 20, 1965, at 10:30 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

383. Communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1965 in the amount of \$1,742,209,000 for the Department of Agriculture (H. Doc. No. 59); to the Committee on Appropriations and ordered to be printed.

384. A letter from the Secretary of Defense, transmitting a draft of proposed legislation, To amend title 10, United States Code, to increase the size of the Joint Staff, and for other purposes; to the Committee on Armed Services.

385. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank; to the Committee on Banking and Currency.

386. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the appropriation of funds for the maintenance and instruction of deaf, mute, and blind children of the District of Columbia; to the Committee on the District of Columbia.

387. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Facility Act of 1942 to authorize the maintenance and repair of parking meters and payment for parking meters from fees collected from such meters; to the Committee on the District of Columbia.

388. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Commissioners of the District of Columbia to utilize certain funds for snow and ice control; to the Committee on the District of Columbia.

389. A letter from the Comptroller General of the United States, transmitting a report on overpayments of per diem travel allowances, Department of State; to the Committee on Government Operations.

390. A letter from the Chairman, Federal Communications Commission, transmitting the 30th Annual Report of the Federal Communications Commission, pursuant to section 4(k) of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

391. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to remove the present \$5,000 limitation which prevents the Secretary of the Air Force from settling and paying certain claims arising out of the crash of a U.S. aircraft at Wichita, Kans.; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 3138. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

By Mr. BELL:

H.R. 3139. A bill to amend title 18 of the United States Code to provide for the greater protection of the President and the Vice President of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 3140. A bill to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and other major diseases; to the Committee on Interstate and Foreign Commerce.

H.R. 3141. A bill to amend the Public Health Service Act to improve the educational quality of schools of medicine, dentistry, and osteopathy, to authorize grants under that act to such schools for the awarding of scholarships to needy students, and to extend expiring provisions of that act for student loans and for aid in construction of teaching facilities for students in such schools and schools for other health professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3142. A bill to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. COHELAN:

H.R. 3143. A bill to provide for the erection of a monument on Alcatraz Island to commemorate the founding of the United Nations in San Francisco, Calif., in 1945, and to serve as a symbol of peace; to the Committee on Interior and Insular Affairs.

By Mr. CONTE:

H.R. 3144. A bill to amend title 38 of the United States Code to allow the Administrator of Veterans' Affairs, under certain circumstances, to disclose information which he has relating to the whereabouts of individuals; to the Committee on Veterans' Affairs.

By Mr. DANIELS:

H.R. 3145. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 3146. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain additional losses; to the Committee on Interstate and Foreign Commerce.

H.R. 3147. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 3148. A bill to amend title II of the Social Security Act to provide that the child of an insured individual, after attaining age 18, may continue to receive child's insurance benefits until he attains age 22 if he is attending school; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 3149. A bill to amend the Federal Deposit Insurance Act and title IV of the Na-

tional Housing Act to increase the amount of insurance applicable to bank and deposits and savings and loan accounts to \$25,000; to the Committee on Banking and Currency.

H.R. 3150. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 so as to modify the decrease in group life insurance at age 65 or after retirement; to the Committee on Post Office and Civil Service.

H.R. 3151. A bill to extend benefits under the Retired Federal Employees Health Benefits Act to the survivors of retiree annuitants who died before April 1, 1948, and to employees who retired from the Tennessee Valley Authority and Farm Credit Administration, prior to July 1, 1961; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN of Oregon:

H.R. 3152. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Merlin division, Rouge River Basin project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRASER:

H.R. 3153. A bill to provide a hospital insurance program for the aged under social security, to amend the Federal old-age, survivors, and disability insurance system to increase benefits, improve the actuarial status of the disability insurance trust fund, and extend coverage, to amend the Social Security Act to provide additional Federal financial participation in the Federal-State public assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. GATHINGS:

H.R. 3154. A bill to amend the Agricultural Act of 1949 to provide for the increased use of milled or enriched rice by the Armed Forces, Federal penal and correctional institutions, and in certain federally operated hospitals, and for other purposes; to the Committee on Agriculture.

H.R. 3155. A bill to permit the exchange between farms of cotton acreage allotments for rice acreage allotments; to the Committee on Agriculture.

By Mr. HAGAN of Georgia:

H.R. 3156. A bill to amend title II of the Social Security Act to provide that a woman who is permanently and totally disabled may become entitled to widow's insurance benefits without regard to her age if she is otherwise qualified; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 3157. A bill to amend the Railroad Retirement Act of 1937 to eliminate the provisions which reduce the annuities of the spouses of retired employees by the amount of certain monthly benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. HUOT:

H.R. 3158. A bill to authorize assistance under the Area Development Act for certain additional areas which have sustained, or are about to sustain, sudden and severe economic hardship; to the Committee on Banking and Currency.

By Mr. JOELSON:

H.R. 3159. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of interest on savings deposits; to the Committee on Ways and Means.

By Mr. KUNKEL:

H.R. 3160. A bill to provide an exemption from participation in the Federal old-age and survivors insurance program for an individual member of a recognized religious sect who is conscientiously opposed to acceptance of benefits because of his adherence to the established tenets or teachings of such sect; to the Committee on Ways and Means.

By Mr. MCCARTHY:

H.R. 3161. A bill to amend the Internal Revenue Code of 1954 to exempt school buses

from the manufacturers' excise tax; to the Committee on Ways and Means.

By Mr. MCDADE:

H.R. 3162. A bill to amend title 18 of the United States Code to provide for the greater protection of the President and the Vice President of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. MacGREGOR:

H.R. 3163. A bill to increase benefits under the Federal old-age, survivors, and disability insurance system, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to provide benefits for certain individuals not otherwise eligible at age 72, to improve the actuarial status of the trust funds, to extend coverage, to improve the public assistance programs under the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 3164. A bill to authorize the temporary release of 100,000 short tons of copper from the national stockpile; to the Committee on Armed Services.

By Mr. MORRIS:

H.R. 3165. A bill to authorize the establishment of the Pecos National Monument in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NEDZI:

H.R. 3166. A bill to provide a hospital insurance program for the aged under social security, to amend the Federal old-age, survivors, and disability insurance system to increase benefits, improve the actuarial status of the disability insurance trust fund, and extend coverage, to amend the Social Security Act to provide additional Federal financial participation in the Federal-State public assistance programs, and for other purposes; to the Committee on Ways and Means.

H.R. 3167. A bill to amend the Internal Revenue Code of 1954 to repeal the manufacturers excise taxes on automobiles and an parts and accessories, and to reduce the manufacturers excise tax on trucks and buses to 5 percent; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 3168. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. RIVERS of Alaska:

H.R. 3169. A bill to establish a new program of grants for public works projects undertaken by local governments in the United States; to the Committee on Public Works.

H.R. 3170. A bill to amend section 601 of title 38, United States Code, with respect to the definition of the term "Veterans' Administration facilities"; to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT:

H.R. 3171. A bill to amend title II of the Social Security Act to reduce from 1 year to 6 months the period for which an individual must have been married (in most cases) in order to be considered the wife, husband, widow, or widower of his or her spouse for benefit purposes; to the Committee on Ways and Means.

By Mr. SCHWEIKER:

H.R. 3172. A bill to establish a Commission on Congressional Reorganization, and for other purposes; to the Committee on Rules.

By Mr. SLACK:

H.R. 3173. A bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region; to the Committee on Public Works.

H.R. 3173. A bill to establish a new program of grants for public works projects under-

taken by local governments in the United States; to the Committee on Public Works.

H.R. 3175. A bill to amend the Internal Revenue Code of 1954 to repeal certain retailers and manufacturers excise taxes and the excise tax on the use of safe deposit boxes; to the Committee on Ways and Means.

By Mr. SMITH of California:

H.R. 3176. A bill to authorize the coordinated development of the water resources of the Pacific Southwest, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 3177. A bill to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Louisiana:

H.R. 3178. A bill to increase the minimum domestic allotments for cotton farms having two or more tenants; to the Committee on Agriculture.

H.R. 3179. A bill to establish a new program of grants for public works projects undertaken by local governments in the United States; to the Committee on Public Works.

H.R. 3180. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for evacuation expenses incurred during natural disasters; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 3181. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WALKER of New Mexico:

H.R. 3182. A bill to authorize the establishment of the Pecos National Monument in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H.R. 3183. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BARING:

H.R. 3184. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BATTIN:

H.R. 3185. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. BURTON of Utah:

H.R. 3186. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 3187. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by

providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. CURTIN:

H.R. 3188. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 3189. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H.R. 3190. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 3191. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 3192. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. HALL:

H.R. 3193. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. ICHORD:

H.R. 3194. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 3195. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 3196. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

By Mr. McVICKER:

H.R. 3197. A bill to protect the domestic economy, to promote the general welfare,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid
U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued January 22, 1965

For actions of January 21, 1965
89th-1st; No. 14



CONTENTS

Adjournment.....8	Cotton.....2,14	Research.....15
Appropriations.....1,7	Freight cars.....12	Salaries.....18
Budget.....4,7	Foreign aid.....16,19	Supplemental
CCC.....1	Holidays.....13,17	appropriations.....1,7
Commission.....18	Lands.....5	Transportation.....6,12
Committee assignments....3	Legislative program.....7	Water pollution.....11
Conflict of interest....10	Public Law 480.....9	

HIGHLIGHTS: House agreed to consider next week supplemental appropriations for USDA. Rep. Findley criticized subsidy payments to cotton textile mills. Rep. Michel introduced and discussed measure to suspend shipments of agricultural commodities to United Arab Republic.

HOUSE

1. APPROPRIATIONS. At the request of Rep. Mahon, unanimous consent was granted that it may be in order next week to consider a resolution making supplemental appropriations to this Department. He stated that the "issue involved is that impairment of the Commodity Credit Corporation's capital stock has to be restored in order for the Department of Agriculture to discharge its responsibility under the law for the support of commodities such as wheat, corn, and other feed grains, tobacco, and cotton." p. 968

Agreed to H. Res. 131, authorizing the Appropriations Committee and its subcommittees to sit during sessions and recesses of the 89th Congress. p. 965

2. COTTON. Rep. Findley criticized subsidy payments to cotton textile mills, stated that such payments have not resulted in higher wages for textile workers or lower prices to cotton product consumers, and inserted two items discussing this situation. p. 971
3. COMMITTEE ASSIGNMENTS. Agreed to H. Res. 132, electing minority members to the various House committees, including Agriculture, Appropriations, Rules, and Interior and Insular Affairs. pp. 968-9
4. BUDGET. Received from the President the budget for the District of Columbia for fiscal year 1966 (H. Doc. 15, part 2). pp. 965-8
5. LANDS. Received from the Justice Department a proposed bill "to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes" to Government Operations Committee. p. 974
6. TRANSPORTATION. Rep. Edmondson inserted a speech by Rep. Boggs before the annual meeting of the National Waterways Conference discussing the importance of waterways in economic development, including references to shipment of agricultural commodities by waterway. pp. 972-3
7. LEGISLATIVE PROGRAM. Rep. Albert announced that the USDA supplemental appropriation measure will be considered next week, probably on Tues., and that the President's budget message will probably be received on Mon. p. 969
8. ADJOURNED until Mon., Jan. 25. p. 974

ITEMS IN APPENDIX

9. PUBLIC LAW 480. Extension of remarks of Rep. Multer commending and inserting an article by Secretary Freeman on the "wide range of economic assistance made available to Israel under the provisions of Public Law 480." pp. A233-4
10. CONFLICT OF INTEREST. Extension of remarks of Rep. Hanna expressing his concern with the "need to protect a high level of confidence in the American system" and inserting an article, "Conflict of Interest." pp. A229-32
11. WATER POLLUTION. Extension of remarks of Rep. Baldwin expressing opposition to the proposal of the U. S. Bureau of Reclamation to construct an interceptor drain from a reclamation project which might pollute the waters of the San Francisco Bay and Sacramento-San Joaquin Delta and inserting an editorial, "No Dumping Here? L.B.J. Joins Pollution War." pp. A234-5
12. TRANSPORTATION. Extension of remarks of Rep. Cunningham in support of his bill H. R. 425, to insure the adequacy of the national railroad freight car supply, and inserting excerpts from an address, "The National Freight Car Situation." p. A235
13. HOLIDAYS. Extension of remarks of Rep. Annunzio urging passage of his bill to make Columbus Day a legal holiday and inserting an essay on why this day should be a National holiday. p. A240

New obligatory authority, all funds
[In thousands of dollars]

	1964 actual	1965 esti- mate	1966 recom- mended
Current authorizations:			
Education:			
Operating expenses.....	63,861	71,844	77,679
Capital outlay.....	15,626	14,405	29,449
Welfare and health:			
Operating expenses.....	70,526	76,213	81,319
Capital outlay.....	1,310	486	7,849
Highways and traffic:			
Operating expenses.....	12,407	13,790	14,013
Capital outlay.....	11,280	13,769	13,843
Public safety:			
Operating expenses.....	66,126	74,138	77,557
Capital outlay.....	539	336	2,229
Parks and recreation:			
Operating expenses.....	9,114	10,100	11,087
Capital outlay.....	378	680	1,819
General operating expenses:			
Operating expenses.....	17,906	19,397	21,321
Capital outlay.....	1,088	4,059	2,186
Sanitary engineering:			
Operating expenses.....	21,963	22,288	22,952
Capital outlay.....	15,400	23,066	16,510
Repayment of loans and interest.....	4,992	5,364	5,690
Payment of District of Columbia share of Federal capital outlays.....	916	1,860	987
Contribution to rapid transit system.....			5,700
Additional municipal expenses, inaugural ceremonies.....		283	
Additional municipal expenses, Imperial Shrine Convention.....			221
Judgments, claims and refunds.....	1,000	7	
Purchase and installation of parking meters.....	220		
Total current authorizations.....	314,651	352,086	392,411
Permanent authorizations:			
Operations of District of Columbia trust funds.....	1,404	1,598	1,607
Repayment (-) of advances from Federal funds.....	42,378	52,489	63,696
Investments.....	7,000	-17,000	
	2,316		
Total authorizations.....	367,749	389,174	457,714
Recapitulation of current authorizations:			
General fund.....	265,071	296,498	344,953
Highway fund.....	25,169	28,791	28,855
Water fund.....	11,375	11,038	11,394
Sanitary sewage works fund.....	13,003	15,677	7,126
Metropolitan area sanitary sewage works fund.....	33	82	83
Total, all funds.....	314,651	352,086	392,411

EDUCATION

Appropriations of \$77.7 million are needed to provide for the operation of the District's school system in 1966, an increase of \$3.8 million over 1965. The additional funds will provide for 517 new teaching positions needed to keep abreast of the requirements of a rapidly increasing school population, which will reach almost 150,000 by fiscal year 1966. The additional teachers will permit the achievement throughout the system of the pupil-teacher ratios approved by the Board of Education.

Funds are also provided to achieve the ratios recommended by the Board for school counselors and to provide librarians for about half of the elementary schools that now do not have them. Deficiencies will still remain but the budget reflects a major effort to remedy shortcomings and to make the District's educational system a model for the Nation.

The budget also includes \$29.4 million for the vital program of improving the school plant. Construction of new schools and additions to existing school buildings will increase the capacity of the system by some 5,000 pupil spaces.

Funds for sites and plans are provided to permit a similar enlargement in fiscal year 1967. Nothing less will suffice if the District is to have available modern, well-equipped school buildings, eliminate part-time classes, and provide adequate space for its increasing school population, including students who are staying in school rather than dropping out. In no other area has the District's capital construction program lagged so far behind. In no other area is the need to catch up more urgent.

The inclusion of the District in the program of Federal aid to school districts impacted by children of Federal employees does not lessen the need for these appropriations. The Federal aid provided under Public Law 88-665 is properly being allocated to those schools in the District most in need of enrichment of programs and services above the level provided in the regular budget. Use of these funds as a substitute for regular educational appropriations not only would deprive District children of these additional educational resources, but also would conflict with the intention of the Congress.

Special programs for the schools in the Cardozo area which have been funded through the Economic Opportunity Act and the program to prevent juvenile delinquency should also be regarded as additional to those provided in the regular budget.

WELFARE AND HEALTH

The budget includes appropriations of \$81.3 million for operating expenses of the welfare and health departments, an increase of \$5.1 million over 1965.

The welfare programs for which funds are provided are directed so far as possible to the rehabilitation of persons and families by positive action which will advance them toward self-sufficiency. Consistent with this, although not a part of the welfare budget, matching funds are provided to enable the District to participate in a number of training projects under the Manpower Development and Training Act.

The budget reflects my belief that the District should be in a position of leadership in putting into effect the welfare and health programs which the Congress has authorized in recent years. I remain particularly concerned with the plight of dependent children, and the continuing upward trend in the population of Junior Village. For that reason the budget contains funds which will permit the District to participate in the national program of aid to dependent children of unemployed parents. In the massive effort now being undertaken on many fronts to improve the conditions of the District's poverty-stricken families, we can ill afford not to utilize every available program which will help to maintain families intact. I strongly urge the Congress to reconsider its previous position on District participation in this program.

The budget continues the health programs already established and provides funds for more intensive efforts in the fields of maternal and child health, in the control of venereal disease, and in the food pesticide residue program.

Proposed capital outlays total \$7.8 million. The substantial increase over last year is occasioned by the need to construct a facility for the detention and rehabilitation of District youths now being accommodated at the National Training School for Boys, which will be moved to Morgantown, W. Va., in 1967. A badly needed school activities building at Junior Village is also included in the Welfare Department budget.

The Health Department budget includes funds urgently needed to plan for community health centers. The establishment of such centers in several parts of the city is important to the District's general health program and is basic to the implementation in the District of new concepts in the prevention, treatment, and care of mental illness and mental retardation.

PUBLIC SAFETY

The budget provides operating expenses of \$77.6 million for public safety, an increase of \$3.4 million over 1965.

The District is engaged on many fronts in an attack on the prevention and punishment of criminal acts, and the elimination of the causes of crime. It is apparent that more must be done. I shall shortly make further recommendations on this subject to the Congress. The budget provides funds for the enlargement of the police force by 100 men, and continues the program to release officers for active police work by increased use of civilian personnel for administrative activities.

PARKS AND RECREATIONS

The funds provided in the budget for the Recreation Department will continue the improvements which were instituted last year, as well as accelerate the program of enlargement and improvement of playground and recreation facilities. The John F. Kennedy Playground in the near Northwest section of the District—an area seriously deficient in playground resources—is a welcome addition to the city's recreation facilities. Funds have been provided for a new site for Shaw Junior High School, thereby making it possible to preserve the needed playground.

HIGHWAYS AND TRAFFIC

The highway program has been coordinated with the proposed rapid transit program in order to achieve a balanced transportation system for the District and the Washington metropolitan area. I shall shortly send to the Congress my recommendations with respect to the rapid transit program. Funds to meet the District's share of initial costs are included in the budget.

The highway program, which is also urgently needed, will be delayed for lack of funds in fiscal year 1966 unless the resources of the highway fund are increased. I am, therefore, again recommending an increase of \$35 million in the loan authorization for the highway fund and an increase of 1 cent in the gasoline tax. The new District gasoline tax rate of 7 cents will correspond with the rates in Maryland and Virginia, and will yield an additional \$2 million annually, a sum sufficient to retire the \$35 million loan in 30 years. This tax and borrowing pro-

gram continues the sound policy of financing the street and highway system by taxes based upon use. Additional taxes of this kind may be necessary as the District faces increased expenses in maintaining its portion of the Interstate System and in constructing, maintaining and improving other highways and streets. I am therefore instructing the Commissioners to consider proposals for financing the highway fund for the next decade.

CONCLUSION

The needs of the District, as of other great cities, continue to grow. As our Nation's Capital, the District of Columbia should exemplify the best in programs for the health, education, and welfare of its citizens. This budget, together with the proposals in this message for additional funds, will in my judgment significantly advance the District toward that goal. At the same time, it is designed, like the Federal budget, to avoid waste and inefficiency. The District is continuing to strengthen its management improvement programs. In the District, as elsewhere in our Government, staff must be used effectively, unnecessary work and positions must be eliminated, and additional personnel added only when absolutely essential.

LYNDON B. JOHNSON.

JANUARY 21, 1965.

MAKING IN ORDER CONSIDERATION OF A RESOLUTION CONCERNING ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Monday next or on any subsequent day next week to consider a resolution making appropriations for certain activities of the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. JONAS. Mr. Speaker, reserving the right to object, will the gentleman from Texas explain what is involved?

Mr. MAHON. The issue involved is that impairment of the Commodity Credit Corporation's capital stock has to be restored in order for the Department of Agriculture to discharge its responsibility under the law for the support of commodities such as wheat, corn, and other feed grains, tobacco, and cotton. This is legislation which we, of course, consider from time to time. Last year we cut the budget estimate by \$478 million. They are on the verge of being out of funds. That is the issue which is involved here. We shall discuss this matter in detail, of course, when the matter is before the House. It will be programmed for some day next week by the leadership.

Mr. JONAS. Mr. Speaker, as I understand, this becomes necessary in order to continue the price support program for farm commodities.

Mr. MAHON. That is correct. I have conferred with the gentleman and, as he knows, with the gentleman from Illinois [Mr. ARENDS], the gentleman from Wisconsin [Mr. LAIRD], the gentleman from Illinois [Mr. MICHEL], and

others who are interested in this type of legislation.

Mr. JONAS. Will this be in the nature of a supplemental appropriation bill?

Mr. MAHON. Yes.

Mr. JONAS. And when it is called up there will be time for ample discussion?

Mr. MAHON. For ample discussion and debate.

Mr. JONAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Mr. Speaker, further reserving the right to object, may I ask the chairman if the hearing is completed this afternoon on this supplemental request, will it be the intention to bring this matter up next week, but definitely not on Monday?

Mr. MAHON. The request is for Monday or any subsequent day, but I am informed it will not be possible to bring it up on Monday, so I do not anticipate calling it up on Monday.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ELECTION TO COMMITTEES

Mr. LAIRD. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

H. Res. 132

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Agriculture: Paul B. Dague, Pennsylvania; Page Belcher, Oklahoma; Charles M. Teague, California; Albert H. Quie, Minnesota; Catherine May, Washington; Delbert L. Latta, Ohio; Ralph Harvey, Indiana; Paul Findley, Illinois; Robert Dole, Kansas; Lawrence J. Burton, Utah; Prentiss Walker, Mississippi.

Committee on Appropriations: Frank T. Bow, Ohio; Charles Raper Jonas, North Carolina; Melvin R. Laird, Wisconsin; Elford A. Cederberg, Michigan; Glenard P. Lipscomb, California; John J. Rhodes, Arizona; William E. Minshall, Ohio; Robert H. Michel, Illinois; Silvio O. Conte, Massachusetts; Odin Langen, Minnesota; Ben Reifel, South Dakota; Glenn R. Davis, Wisconsin; Howard W. Robison, New York; Garner E. Shriver, Kansas; Joseph M. McDade, Pennsylvania; Mark Andrews, North Dakota.

Committee on Armed Services: William H. Bates, Massachusetts; Leslie C. Arends, Illinois; Alvin E. O'Konski, Wisconsin; William G. Bray, Indiana; Bob Wilson, California; Charles S. Gubser, California; Charles E. Chamberlain, Michigan; Alexander Pirnie, New York; Durward G. Hall, Missouri; Donald D. Clancy, Ohio; Robert T. Stafford, Vermont; Richard S. Schweiker, Pennsylvania.

Committee on Banking and Currency: William B. Widnall, New Jersey; Paul A. Fino, New York; Florence P. Dwyer, New Jersey; Seymour Halpern, New York; James Harvey, Michigan; Wm. E. (Bill) Brock, Tennessee; Burt L. Talcott, California; Del Clawson, California; Albert W. Johnson, Pennsylvania; J. William Stanton, Ohio; Chester L. Mize, Kansas.

Committee on District of Columbia: Ancher Nelsen, Minnesota; William L. Springer, Illinois; Alvin E. O'Konski, Wisconsin; William H. Harsha, Ohio; Charles

McC. Mathias, Junior, Maryland; Frank J. Horton, New York; Richard L. Roudebush, Indiana; Joel T. Broyhill, Virginia.

Committee on Education and Labor: William H. Ayres, Ohio; Robert P. Griffin, Michigan; Albert H. Quie, Minnesota; Charles E. Goodell, New York; John M. Ashbrook, Ohio; Dave Martin, Nebraska; Alphonzo Bell, California; Paul Findley, Illinois; Ogden R. Reid, New York; Glenn Andrews, Alabama.

Committee on Foreign Affairs: Frances P. Bolton, Ohio; E. Ross Adair, Indiana; William S. Mailliard, California; Peter Frelinghuysen, New Jersey; William S. Broomfield, Michigan; J. Irving Whalley, Pennsylvania; H. R. Gross, Iowa; E. Y. Berry, South Dakota; Edward J. Derwinski, Illinois; F. Bradford Morse, Massachusetts; Vernon W. Thomson, Wisconsin; James G. Fulton, Pennsylvania.

Committee on Government Operations: Clarence J. Brown, Ohio; Florence P. Dwyer, New Jersey; Robert P. Griffin, Michigan; Ogden R. Reid, New York; Frank J. Horton, New York; Delbert L. Latta, Ohio; Donald Rumsfeld, Illinois; William L. Dickinson, Alabama; John N. Erlenborn, Illinois; Howard H. Callaway, Georgia.

Committee on House Administration: Glenard P. Lipscomb, California; Robert J. Corbett, Pennsylvania; Charles E. Chamberlain, Michigan; Charles E. Goodell, New York; Willard S. Curtin, Pennsylvania; Samuel L. Devine, Ohio; John N. Erlenborn, Illinois; William L. Dickinson, Alabama.

Committee on Interior and Insular Affairs: John P. Saylor, Pennsylvania; E. Y. Berry, South Dakota; Craig Hosmer, California; Joe Skubitz, Kansas; Charlotte T. Reid, Illinois; Laurence J. Burton, Utah; Rogers C. B. Morton, Maryland; Wendell Wyatt, Oregon; George Hansen, Idaho; Henry P. Smith, III, New York; Ed Reinecke, California.

Committee on Interstate and Foreign Commerce: William L. Springer, Illinois; J. Arthur Younger, California; Samuel L. Devine, Ohio; Ancher Nelsen, Minnesota; Hastings Keith, Massachusetts; Willard S. Curtin, Pennsylvania; Glenn Cunningham, Nebraska; James T. Broyhill, North Carolina; James Harvey, Michigan; Albert W. Watson, South Carolina; Tim Lee Carter, Kentucky.

Committee on Judiciary: William M. McCulloch, Ohio; Richard H. Poff, Virginia; William C. Cramer, Florida; Arch A. Moore, Junior, West Virginia; John V. Lindsay, New York; William T. Cahill, New Jersey; Clark MacGregor, Minnesota; Charles McC. Mathias, Junior, Maryland; Carleton J. King, New York; Edward Hutchinson, Michigan; Robert McClory, Illinois.

Committee on Merchant Marine and Fisheries: William S. Mailliard, California; Thomas M. Pelly, Washington; Robert F. Ellsworth, Kansas; Stanley R. Tupper, Maine; Charles A. Mosher, Ohio; James R. Grover, Junior, New York; Rogers C. B. Morton, Maryland; Hastings Keith, Massachusetts; Jack Edwards, Alabama; G. Robert Watkins, Pennsylvania.

Committee on Post Office and Civil Service: Robert J. Corbett, Pennsylvania; H. R. Gross, Iowa; Glenn Cunningham, Nebraska; Edward J. Derwinski, Illinois; Robert F. Ellsworth, Kansas; Albert W. Johnson, Pennsylvania; John H. Buchanan, Jr., Alabama.

Committee on Public Works: William C. Cramer, Florida; John F. Baldwin, Junior, California; William H. Harsha, Ohio; John C. Kunkel, Pennsylvania; James R. Grover, Junior, New York; James C. Cleveland, New Hampshire; Don H. Clausen, California; Charles A. Halleck, Indiana; Charlotte T. Reid, Illinois; Robert C. McEwen, New York; James D. Martin, Alabama.

Committee on Rules: Clarence J. Brown, Ohio; H. Allen Smith, California; John B. Anderson, Illinois; Dave Martin, Nebraska; James H. Quillen, Tennessee.

Committee on Science and Astronautics: Joseph W. Martin, Junior, Massachusetts;

Digest of CONGRESSIONAL PROCEEDINGS

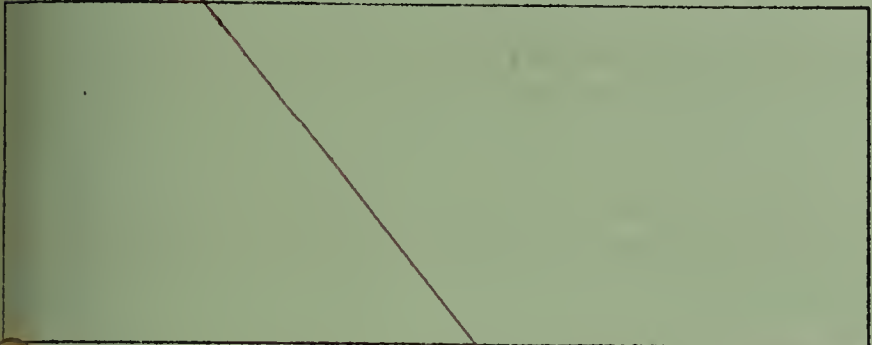
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official business Postage and fees paid
U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued January 26, 1965
For actions of January 25, 1965
89th; 1st; No. 16



CONTENTS

Appropriations.....5	Farm program.....3,14	Poultry.....4
Automation.....13	Flood relief.....22	Property.....11,27
Budget.....1,15	Foreign aid.....18	Public works.....24
CCC.....5,10	Foreign trade.....21	Recreation.....27
Coffee.....6	Forestry.....28	Research.....19
Cropland retirement.....23	Holiday.....29	Retirement.....20
Cotton.....2	Housing.....8	Roads.....26
Education.....16	Interest rates.....17	Surplus commodities.....10
Electrification.....9,17	Lands.....26	Time.....25
Farm labor.....7,12	Personnel.....20	Wheat.....23

HIGHLIGHTS: House received President's budget. Rep. Findley criticized subsidy payments to cotton textile mills. Rep. Gonzalez urged enactment of legislation to implement International Coffee Agreement.

HOUSE

1. BUDGET. Received the President's 1966 Budget (H. Doc. 15). pp. 1069-75
Attached to this Digest are excerpts from the Budget message and a table showing new obligational authority for this Department for fiscal years 1964 and 1965, and budget estimates for 1966.
Copies of the Budget will be distributed through the agency budget offices. Copies will not be available from the Division of Legislative Reporting. A very small reserve supply will be available from the Division of Budget Policies and Operations of this Office, Ext. 5901, to meet extreme and unforeseen emergencies.
Several Representatives debated merits of the President's Budget. pp. 1075-84, 1090, 1124-6

2. COTTON. Rep. Findley criticized subsidy payments to cotton textile mills as being unjustified and inserted a table on payments to individual mills. pp. 1084-9
3. FARM PROGRAM. Rep. Findley commended Budget Bureau Director Gordon's recent article discussing the farm program and stated that he "made the valid and important point that much of American agriculture is relatively healthy and the Federal Government should stop using welfare gimmicks on that part of it." pp. 1089-90
4. POULTRY. Rep. Hechler inserted an address by West Virginia Governor Smith urging the Legislature to enact a new egg inspection law and a uniform poultry feed law. pp. 1060-3
5. APPROPRIATIONS. Rep. Mahon urged prompt action to provide supplemental appropriations to CCC and disagree with a request by Rep. Findley to delay action on the matter. p. 1069
6. COFFEE. Rep. Gonzalez urged early action on legislation to implement the International Coffee Agreement as a means of stabilizing coffee prices. pp. 1126-7
7. FARM LABOR. Rep. Gubser suggested that workers be trained under the Economic Opportunity Act for employment in agriculture and food processing plants. pp. 1122-4
8. HOUSING. Rep. Hanna spoke in support of his bill, H. R. 2981, to expand the housing programs for the elderly. p. 1103
9. ELECTRIFICATION. Received the annual report of the Rural Electrification Administration. pp. 1135-6
Received from the Federal Power Commission a report, "All Electric Homes in the United States, 1964." p. 1136
10. SURPLUS COMMODITIES; CCC. Received from this Department the annual report on the orderly liquidation of stocks of agricultural commodities held by CCC and the expansion of markets for surplus agricultural commodities. p. 1136
11. PROPERTY. Received from GSA a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies"; to Government Operations Committee. p. 1136

SENATE

12. MIGRATORY LABOR. The "Daily Digest" states that the Labor and Public Welfare Committee voted to report (but did not actually report) S. Res. 24, authorizing the committee to investigate and study matters relating to migratory labor. p. D35
13. AUTOMATION. The "Daily Digest" states that the Labor and Public Welfare Committee voted to report the nominations to be members of the National Commission on Technology, Automation, and Economic Progress. p. D35

soon to come and in its darkest times, I never had any trouble sleeping. In the crisis of 1940, when so much responsibility lay upon me, and also at many other very anxious, awkward moments in the following 5 years, I could always flop into bed and go to sleep after the day's work was done. I slept sound and awoke refreshed and had no feelings except appetite to grapple with whatever the morning's boxes might bring. But on this night of February 20, 1938, and on this occasion alone, sleep deserted me. From midnight till dawn I lay on my bed consumed by emotions of sorrow and fear. I watched the daylight slowly creep in through the windows and saw before me in mental gaze the vision of death."

That was Churchill's darkest hour. England's came 2 years later in the Battle of Britain—September 15, 1940—when Churchill asked a subordinate: "How many Spitfires have we in reserve?"

"None, sir," was the reply.

"Then we must press forward the attack," said Churchill lightheartedly. That was the night the German air armadas finally desisted and the Battle of Britain was over just when Germany might have won it.

By then, Churchill was the beloved, indomitable hero of the whole free world. But I like him best when he was unloved—and still indomitable. That's the true best.

SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE—COMMODITY CREDIT CORPORATION

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, last Friday I read in the papers that the supplemental appropriation for the Department of Agriculture in excess of \$1 billion will be up for consideration on Tuesday, that is, tomorrow.

I made an effort to get a copy of the hearings and a copy of the report so that I could study up on this matter. None was available. So, this morning I called the Committee on Appropriations, and I also called the Subcommittee on Agriculture of the Committee on Appropriations and at both places asked for a copy of the hearings. None was available. I was told that the hearings and the report will not be available until about 10 o'clock tomorrow morning, which is about 2 hours ahead of the time set for consideration of this very important and very large appropriation bill.

I would like to have the opportunity to read this material ahead of the consideration of the matter on the House floor and no doubt some other Members would also like the opportunity.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield.

Mr. MAHON. A hearing was held on this matter. I have a copy of the page proof of the transcript. I would be very glad to make that available to the gentleman and I will do so. We have been pressed for time on the request to repair the capital structure of the Commodity Credit Corporation, as the gentleman knows. Time is of the essence in the matter. We had some notice of the probabilities of this supplemental request during the debate on the regular

appropriation bill here on the floor last year.

When I make some remarks on the new budget in a few minutes, I will arrange to include in them some additional information about the CCC supplemental item. I quite agree that the gentleman, and all other Members who are interested, should have as much advance information as we reasonably can supply, we want to cooperate and we will cooperate. Time has been short, as the gentleman knows.

Mr. FINDLEY. Would it not be helpful if we could set over the consideration of this bill at least a day in order to give all Members an opportunity to read the hearings and study up on this very important bill?

Mr. MAHON. We were advised that the Commodity Credit Corporation needed this money last week. They are almost out of money and unable to meet commitments. It is imperative that we take action at the earliest possible moment. However, the hearings are short and the problem is easy to understand, so I think we can and should manage to dispose of the matter tomorrow.

Mr. FINDLEY. Would 1 day's delay be that important, I will ask the gentleman?

Mr. MAHON. We ought to move forward as we had planned I would say.

The SPEAKER. The time of the gentleman has expired.

BUDGET OF THE UNITED STATES, FISCAL YEAR 1966—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 15)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed with illustrations:

To the Congress of the United States:

I am presenting to you today the budget of the United States for the fiscal year 1966.

A budget is a plan of action. It defines our goals, charts our courses, and outlines our expectations. It reflects hard decisions and difficult choices. This budget is no exception.

It is a budget of priorities. It provides for what we must do, but not for all we would like to do.

It is a budget of both opportunity and sacrifice. It begins to grasp the opportunities of the Great Society. It is restrained by the sacrifices we must continue to make in order to keep our defenses strong and flexible.

This budget provides reasonably for our needs. It is not extravagant. Neither is it miserly.

It stands on five basic principles:

Government fiscal policies must promote national strength, economic progress, and individual opportunity.

Our tax system must continue to be made less burdensome, more equitable, and more conducive to continued economic expansion.

The Great Society must be a bold society. It must not fear to meet new challenges. It must not fail to seize new opportunities.

The Great Society must be a compassionate society. It must always be responsive to human needs.

The Great Society must be an efficient society. Less urgent programs must give way to make room for higher priority needs. And each program, old and new, must be conducted with maximum efficiency, economy, and productivity.

The major features of the 1966 budget translate these principles into action.

First, excise taxes are substantially reduced. Social security benefits, including hospital insurance, are increased. These are combined with other expenditure increases to yield an overall fiscal policy designed to maintain our steady economic expansion.

Second, the budget supports a massive defense establishment of steadily growing power, within reduced outlays.

Third, our international and space programs are being advanced at a satisfactory rate, but with smaller increases than in earlier years.

Fourth, expanded programs and higher expenditures are proposed to:

Provide better and more education for our children.

Extend the war against poverty.

Promote advances in the Nation's health.

Improve conditions in the urban areas where most of us live.

Help the Appalachian region lift itself out of its present depressed condition.

Strengthen our social security protection.

Increase economic opportunities in rural communities.

Encourage sound use of our natural resources.

Conserve natural beauty in our land.

Fifth, a large part of the funds for needed program expansion has come from savings, reductions, and economies in other parts of the budget.

FISCAL POLICY

This budget recognizes that a growing economy is needed to promote national strength and progress. It is also needed to move us toward a balanced budget. When the economy slows down, Federal revenues fall and spending tends to increase. The result is larger, not smaller, budget deficits.

Nearly 4 years ago, this Nation began its fourth postwar economic expansion. With the help of last year's income tax reduction—the largest and most comprehensive ever enacted—this expansion has already outlasted each of the previous three postwar recoveries.

During the past 4 years, the Nation's real output of goods and services—the gross national product—has grown at an average rate of about 5 percent per year.

New highs have been achieved in employment, income, and profits. Unemployment has been reduced. Price stability has been maintained.

This is a creditable record of achievement. And we look forward to continued growth in the year ahead. The Nation's output in calendar year 1965 is expected

to reach \$660 billion, plus or minus \$5 billion.

Nevertheless, we must keep in mind that our economy is still producing at a level well below its potential. Nearly 4 million people are out of work. The unemployment rate is still nearly 5 percent. Plants and machines are standing idle while human wants and needs go unmet. An estimated 35 million people continue to live in poverty.

We cannot substitute last year's achievements for next year's goals; nor can we meet next year's challenge with last year's budget.

The revenue and expenditure proposals presented in the 1966 budget are carefully designed to promote continued economic expansion and improved economic opportunities.

This budget takes into account the need to reduce the Nation's balance-of-payments deficit. During the last calendar year, the deficit showed a significant decline. To help insure continued improvement, I will intensify efforts to carry out Federal activities with the least possible burden on our balance of payments.

BUDGET SUMMARY

Administrative budget: In preparing this budget, I have applied exacting tests of efficiency and necessity to all proposed expenditures. As a result, total administrative budget expenditures are being held to \$99.7 billion in 1966. Although expenditures will rise by a relatively small amount, they will decline as a percent of the gross national product—to less than 15 percent, the lowest ratio achieved in 15 years.

Administrative budget receipts are expected to increase in 1966 to \$94.4 billion. This is \$3.2 billion over the estimated level for 1965. This increase reflects the economic growth anticipated in calendar year 1965. It also takes into account the revenue losses from proposed excise tax changes and from the second stage of income tax cuts enacted last year.

The resulting 1966 administrative budget deficit of \$5.3 billion is \$1 billion lower than the 1965 deficit, marking continued progress toward a balanced budget.

As our population increases, as science and technology change our methods of doing things, as our wants multiply with the growth in our incomes, and as urbanization creates new problems, there is growing need for more public and private services. It is evident that unless defense needs should decline substantially, Government expenditures will continue to rise over the long run.

At the same time, we have good reason to expect that Government expenditures in the years ahead will grow more slowly than the gross national product, so that the ratio of Federal spending to our total output will continue to decline.

The expenditures proposed in this budget reflect a careful balancing of national goals against budgetary costs. The budget I now present will, in my judgment, carry out the responsibilities of the Federal Government efficiently and wisely. It was constructed on that basis alone.

My budgets for both 1965 and 1966 have provided for major increases in areas of high national priority—particu-

larly education, health, aid to the needy, housing, and the war on poverty. Also, for these 2 consecutive years, careful pruning of less urgent programs and vigorous cost reduction efforts have, on balance, resulted in lower expenditures in other major sectors of the budget. The application of these strict policies of priority and frugality is evident in the modest growth in administrative budget expenditures.

The changing Federal budget

(Fiscal years. In billions)

Description	Administrative budget expenditures				
	1964 actual	Change, 1964 to 1965	1965 estimate	Change, 1965 to 1966	1966 estimate
National defense and space	\$58.4	—\$1.3	\$57.1	—\$0.4	\$56.7
Interest	10.8	+ .5	11.3	+ .3	11.6
Health, labor, education, housing and community development, economic opportunity program, and aid to the needy	6.7	+ .7	7.4	+ 3.6	11.0
All other	21.8	— .1	21.7	— 1.3	20.4
Total, administrative budget	97.7	— .2	97.5	+ 2.2	99.7

Consolidated cash statement: The administrative budget is based on a definition of Federal spending which excludes such important Federal activities as social security and highway construction that are financed through trust funds. A more comprehensive measure of the Government's finances is the consolidated cash budget which covers all of the Government's programs.

On the consolidated cash basis, total payments to the public are estimated at \$127.4 billion in 1966. Total receipts from the public are estimated at \$123.5 billion, resulting in a net excess of payments of \$3.9 billion. The estimated increase of \$6 billion in cash payments in 1966 over 1965 is mostly in trust funds which are financed by special taxes.

About \$9.5 billion of the nondefense payments recommended in this budget—almost 2½ times the size of the entire cash deficit—represent an investment in physical and financial assets which will provide benefits to the Nation for many years to come. These payments are made for Federal civil public works, equipment, and loans as well as for highways, hospitals, and other State, local, and private assets.

Federal sector, national income accounts: Another measure of Federal finance which includes trust funds emphasizes the direct impact of Government fiscal activities on the economy. This measure is based on the national income accounts. Under this concept, Federal fiscal data are estimated on an accrual rather than a cash basis. Purely financial transactions—such as loan—which do not directly affect production or income are excluded. On this basis,

the deficit for 1966 is estimated at \$6 billion.

Summary of Federal receipts and payments

(Fiscal years. In billions)

Description	1964 actual	1965 estimate	1966 estimate
FEDERAL RECEIPTS			
Administrative budget receipts	\$89.5	\$91.2	\$94.4
Trust fund receipts	30.3	30.5	33.6
Deduct: Intragovernmental transactions	4.3	4.3	4.5
Total cash receipts from the public	115.5	117.4	123.5
Add: Adjustment from cash to accrual basis	— .7	— .9	— 1.8
Deduct: Receipts from loans, property sales, and other adjustments	.2	.5	.7
National income account receipts, Federal sector	114.7	116.0	121.0
FEDERAL PAYMENTS			
Administrative budget expenditures	97.7	97.5	99.7
Trust fund expenditures (including Government-sponsored enterprises)	28.9	29.0	32.9
Deduct: Intragovernmental transactions and other adjustments	6.2	5.1	5.2
Total cash payments to the public	120.3	121.4	127.4
Add: Adjustment from cash to accrual basis	1.8	1.7	1.1
Deduct: Disbursements for loans, land purchases, and other adjustments	3.6	2.1	1.5
National income account expenditures, Federal sector	118.6	121.0	127.0
EXCESS OF RECEIPTS (+) OR PAYMENTS (—)			
Administrative budget	— 8.2	— 6.3	— 5.3
Receipts from and payments to the public	— 4.8	— 4.0	— 3.9
National income accounts, Federal sector	— 3.9	— 5.0	— 6.0

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

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Issued January 27, 1965

For actions of January 26, 1965

89th; 1st; No. 17

CONTENTS

Animals.....39	Farm program.....10,20,38	Recreation.....15,25
Appalachia.....12,17	Feed grain.....22	Soil survey.....3
Appropriations.....1,17,42	Flood damage.....21	Stockpiling.....9
Budget.....7	Food marketing.....26	Supplemental
CCC.....1	Foreign agriculture.....2	appropriations.....1,17
Coffee.....28	Forestry.....11	Surplus property.....29
Committee assignments....5	Government operations...13	Taxation.....41
Consumers.....26	Grants-in-aid.....27	Transportation....4,23,39
Cooperatives.....37	Land conservation.....32	Water pollution....14,17
Cotton textiles.....1	Legislative program...6,17	Water research.....36
Cropland retirement....35	Loans.....32	Wheat.....1,35
Electrification.....37	Patents.....33	Wheat agreement.....1
Extension service.....18	Personnel.....31,34	Wool.....30
Family farms.....16,20,24	Public Law 480.....1	World calendar.....27
Farm labor.....8,19	Public works.....40	

HIGHLIGHTS: House passed USDA supplemental appropriation bill with amendment to prohibit Public Law 480 sales to United Arab Republic. Several Senators discussed budget. Senate committee reported bill to create Joint Committee on the Budget. Senate committee reported resolution to investigate migratory labor. Sen. McCarthy questioned accuracy in budget message re farm prices. Sen. Mundt introduced and discussed bill to provide periodic review of grants-in-aid programs.

HOUSE

1. APPROPRIATIONS. Passed with amendment H. J. Res. 234, providing supplemental appropriations for this Department as follows, which had been reported earlier (H. Rept. 2). pp. 1144-62, ~~1145~~, 1166, 1178, 1184-5

<u>Item</u>	<u>Budget Estimate</u> (In thousands)	<u>House Bill</u> (as Passed)
Commodity Credit Corporation:		
Reimbursement for net realized losses.....	\$1,180,853	\$1,100,000
Public Law 480:		
Sale of surplus agricultural commodities for foreign currencies (Title I).....	273,000	250,000
Long-term supply contracts (Title IV).....	233,400	200,000
International Wheat Agreement.,,.....	<u>54,956</u>	<u>50,000</u>
Total	<u>\$1,742,209</u>	<u>\$1,600,000</u>

By a vote of 204 to 177, agreed to a motion by Rep. Michel to recommit the resolution to the Appropriations Committee with instructions to report it back with an amendment to provide that no part of the appropriation shall be used during fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under title I of Public Law 480. This amendment was then agreed to without a record vote (pp. 1161-2). This amendment had been rejected earlier during debate on the resolution by a vote of 122 to 128 (pp. 1154-61).

Rejected, 45 to 105, an amendment by Rep. Findley to prohibit further payments during fiscal year 1965 to cotton textile mills under the cotton program. pp. 1153-4

2. FOREIGN AGRICULTURE. Rep. Fraser urged increased aid for agricultural and rural development in less-developed countries, stating that the "food-for peace programs, our agricultural technology and the skills and resources of our industries can be mobilized to make a more effective contribution." pp. 1172-3
3. SOIL SURVEY. Received from Interior a report on a soil survey and land classification of the lands in the Oroville-Tonasket unit, Chief Joseph Dam, Wash. p. 1185
4. TRANSPORTATION. Received the annual report of the Interstate Commerce Commission. p. 1186
5. COMMITTEE ASSIGNMENTS. The Public Works Committee announced the appointment of chairmen to the following subcommittees: Ad Hoc Subcommittee on Appalachia: Rep. Robert Jones, Ala.; Watershed Development: Rep. James Wright, Tex.; Rivers and Harbors: Rep. John Blatnik; Roads: Rep. John Kluczynski; Flood Control: Rep. Robert Jones, Ala.; Public Buildings and Grounds: Rep. T. A. Thompson, La. and Federal-Aid Highway Program: Rep. John Blatnik. p. D40

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE

JANUARY 26, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MAHON, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H.J. Res. 234]

The Committee on Appropriations to which was referred the House Joint Resolution 234, making supplemental appropriations for the fiscal year 1965 for certain activities of the Department of Agriculture and for other purposes, reports the same to the House without amendment and with the recommendation that the joint resolution be passed.

The Commodity Credit Corporation was created by Congress in 1933 to assist in maintaining farm income at a level comparable to labor and industry and thereby stabilize the purchasing power of this basic segment of our national economy upon which all others are dependent. In order to meet this objective, Congress gave the Corporation the right to make loans, buy and sell commodities, and conduct the normal business connected therewith.

Under laws enacted by Congress since 1933, the Corporation is charged with the mandatory responsibility of supporting prices for the six basics—wheat, corn, cotton, peanuts, rice and tobacco—as well wool, mohair, certain feed grains, milk, butterfat, honey and tung nuts. Other commodities for which price supports have been made permissive by Congress are cottonseed, flaxseed, soybeans, dry edible beans, and crude pine gum.

In recent years, the Corporation has also been charged by Congress with the responsibility of financing certain other programs not directly related to its price support activities and not originally contemplated when the Corporation was created. These include three major programs: the International Wheat Agreement, Public Law 480, and the transfer of bartered materials acquired in exchange for agricultural commodities to the supplemental stockpile. In addition, a number of other programs have been assigned to the

Corporation through the years, such as food and feed donations for emergency or disaster relief, donations to Federal and State penal institutions, furnishing of grain for migratory and game birds, loans for conservation purposes, emergency conservation assistance, and research to reduce surpluses.

To finance these numerous activities, the Corporation has borrowing authority of \$14.5 billion. Funds are not borrowed from the Treasury except as used and the Corporation pays interest to the Treasury on such funds. As of January 20, 1965, all but \$54 million of this was committed to loans, commodity inventories and the financing of the various programs enumerated above. The Corporation has three possible methods of obtaining additional funds for operating purposes: (1) to sell commodities to which it has title, (2) to obtain Congressional approval of an increase in its borrowing authority, or (3) to obtain an appropriation to restore capital impairment.

If the Corporation were to attempt to obtain operating funds by suddenly placing its commodities on domestic and world markets, the results would be disastrous. Further, it is not practicable to enact legislation to increase borrowing authority at this time. The only feasible means to meet this need expeditiously is to approve a supplemental appropriation as proposed herein.

Failure to provide additional funds to the Corporation would result in a complete breakdown in our price support mechanism, with serious consequences to the economy of our entire Nation. It is imperative, therefore, that immediate action be taken to restore funds to the Corporation for its continued operation.

Accordingly, the Committee recommends a supplemental appropriation of \$1,600,000,000, \$1,100,000,000 to reimburse the Corporation for prior year price support costs, \$450,000,000 to reimburse the Corporation for Public Law 480 program expenditures, and \$50,000,000 to cover increased costs of the International Wheat Agreement. This is a decrease of \$142,209,000 in the budget estimate for these purposes submitted to Congress in House Document No. 59.



89TH CONGRESS
1ST SESSION

H. J. RES. 234

[Report No. 2]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1965

Mr. MAHON introduced the following joint resolution; which was referred to the Committee on Appropriations

JANUARY 26, 1965

Reported without amendment; considered, amended, and passed

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1965, namely:

6 DEPARTMENT OF AGRICULTURE

7 COMMODITY CREDIT CORPORATION

8 REIMBURSEMENT FOR NET REALIZED LOSSES

9 For an additional amount to reimburse the Commodity
10 Credit Corporation for unreimbursed net realized losses sus-

1 tained during the fiscal year 1963, pursuant to the Act of
2 August 17, 1961 (15 U.S.C. 713a-11, 713a-12),
3 \$1,100,000,000.

4 PUBLIC LAW 480

5 For an additional amount for expenses during the fiscal
6 year 1965, not otherwise recoverable, and unrecovered prior
7 years' costs, including interest thereon, under the Agricul-
8 tural Trade Development and Assistance Act of 1954, as
9 amended (7 U.S.C. 1701-1709, 1731-1736), to remain
10 available until expended, as follows: (1) Sale of surplus
11 agricultural commodities for foreign currencies pursuant to
12 title I of said Act, \$250,000,000; and (2) long-term supply
13 contracts pursuant to title IV of said Act, \$200,000,000:
14 *Provided*, That no part of this appropriation shall be used
15 during the fiscal year 1965 to finance the export of any
16 agricultural commodity to the United Arab Republic under
17 the provisions of Title I of such Act.

18 INTERNATIONAL WHEAT AGREEMENT

19 For an additional amount for expenses during fiscal year
20 1965 and unrecovered prior years' costs, including interest
21 thereon, under the International Wheat Agreement Act of
22 1949, as amended (7 U.S.C. 1641-1642), \$50,000,000,
23 to remain available until expended.

89TH CONGRESS
1ST Session

H. J. RES. 234

[Report No. 2]

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

By Mr. MAHON

JANUARY 26, 1965

Referred to the Committee on Appropriations

JANUARY 26, 1965

Reported without amendment; considered, amended,
and passed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

Vol. 111

WASHINGTON, TUESDAY, JANUARY 26, 1965

No. 17

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D. used this verse which Sir Winston Churchill quoted when he addressed a joint session of the Congress: Psalm 112: 7: *He shall not be afraid of evil tidings: his heart is fixed, trusting in the Lord.*

O Thou who art the companion of our hearts and the counselor of our minds may we feel that Thy eternal truth is our guiding light and Thy love the bond of unity among men and nations.

Fill us with generous impulses and sympathetic attitudes toward all mankind and may each day bear witness to new adventures and advances in faith and in friendship.

Hear us as we daily pray for our beloved President, beseeching Thee to share Thy healing ministry with the doctors and nurses at the Naval Hospital, enabling them to know just what to do for his complete and speedy recovery.

We mourn the passing of our greatly esteemed and beloved Sir Winston Churchill but we rejoice that Thou hast opened for him the gateway to the larger life and received him into Thy nearer presence, leaving us to dream and imagine how wondrous fair that life must be since he is there.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

CORRECTION OF ROLL CALL

Mr. HULL. Mr. Speaker, on roll call No. 4 I had a live pair with the gentleman from Pennsylvania who had not been sworn in. I ask unanimous consent that the RECORD be corrected to show my original vote, which was "nay."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SIR WINSTON CHURCHILL

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, we are all much the poorer today for the passing of one of the truly outstanding men of our century, Sir Winston Churchill.

His wisdom, his courage, his wit, his proficiency as a writer and speaker, his artistic ability, his foresight, and his indomitable will have all been remarked upon time and again in the days which have elapsed since his death last Sunday.

As one privileged to be a Member of this body, however, I like to recall Sir Winston as a man of politics. It was in this very Chamber, Mr. Speaker, that this towering figure of our times said, "I am a child of the House of Commons."

He meant that, I believe, as a compliment to those of us who serve in this House of Representatives. He knew the rigors of practical politics, of legislative compromise, of parliamentary strategy. He knew as well that service as a representative of the people is an opportunity for measureless good and accomplishment.

The course of his political career was far from smooth. He never feared to speak his mind in the face of countervailing public opinion and it often cost him dearly. Today we know that what he spoke was very often the truth.

It was he who first saw the dangers inherent in the rise of Hitlerism and tried to warn his complacent people against the coming tyranny. It was he who first crystallized for us the postwar threat in the advance of the Soviet Union across Europe.

As Winston Churchill is taken from us, let our prayer be that the Almighty, seeing the needs of humanity, will favor the world with other leaders of his kind to

show the way should the sky again darken and the hour once again seem late.

ELEMENTARY AND SECONDARY EDUCATION

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PERKINS. Mr. Speaker, the hearings on the administration's recommendations in the field of elementary and secondary education, H.R. 2361 and H.R. 2362, were initiated on January 22. Since that time we have held 4 full days of hearings and I have been greatly impressed with both the quality and the depth of the presentations.

The President's legislation is attracting the strong support of education leaders and organizations throughout the Nation.

While we plan to hold thorough hearings, we do not propose to drag them on for the simple sake of gathering cumulative testimony.

I would welcome the appearance and comments of any of my colleagues who have for many years been interested in seeing positive action taken in this field.

CLOSING OF CERTAIN VETERANS' ADMINISTRATION HOSPITALS

(Mr. RESNICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RESNICK. Mr. Speaker, I am appalled, shocked, and disgusted at the callous and inhumane treatment that the veterans of our country are being subjected to by the Veterans' Administration because they are in such a hurry to close many of our badly needed VA hospitals.

I speak today to let this House and the American public know to what lengths the VA is proceeding to carry out their heartless, coldblooded policy of refusing to operate hospitals in rural and semi-urban areas.

A veteran in my district residing 15 minutes away from Castle Point Veterans' Administration Hospital was stricken with meningitis. Although the Veterans' Administration has stated that it would admit emergency patients to the hospital it was in the process of closing down, this veteran was refused admittance. He was taken by ambulance over roads covered with snow and ice to Albany, N.Y., a trip of over 2½ hours.

The Veterans' Administration in its haste to close these needed facilities is neglecting the welfare of the very people it is supposed to serve.

The administrator of the Castle Point Veterans' Administration Hospital stated this morning that under normal circumstances this patient would have been admitted to that hospital. However, now he is being sent to Albany.

The additional burden on the family of this veteran is obvious. The additional cost of transporting him via a Veterans' Administration ambulance to Albany is also obvious.

I protest this callous and inhumane policy of the Veterans' Administration under this closedown order.

In most cases we do not treat sick animals as badly as we are now treating our sick veterans.

CLOSING OF FORT BAYARD VETERANS HOSPITAL

(Mr. MORRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRIS. Mr. Speaker, but for the services which our veterans gave to this country, our form of Government could well have been washed down the drain. Now comes a proposal from the Veterans' Administration to close down 17 regional offices, 11 hospitals, and 4 domicillaries. Among the reasons given for the closing are advanced medical techniques and treatments, centralized operations, and a saving of some \$23 million. When the President sends us a budget asking for appropriations in the staggering amount of \$99.7 billion, can we in good conscience even consider the idea of closing down any facility which serves the very men and women who have fought and preserved our Government for us. If the entire amount to be saved by this closing would be necessary for the care and treatment of one man or woman who served this country it would not be an overexpenditure of funds.

I intend to introduce a resolution which will do away with the imposed limitation which the executive branch of the Government has seen fit to impose upon the veterans of this country by way of a 125,000-bed limitation. My resolution would raise the limit from 125,000 to 130,000. I hope that the great chairman of the House Veterans' Affairs Committee, my able colleague, the gentleman from Texas, the Honorable OLIN E. TEAGUE, will conduct hearings as soon as possible on this resolution.

The House Appropriations Committee this morning passed a joint resolution making a supplemental appropriation of \$1,600 million to the Commodity Credit

Corporation. I believe this resolution will be passed by this House this afternoon. It seems to me if we can make a deficit appropriation of \$1,600 million surely there must be somewhere in this great and prosperous Nation of ours that we can find \$23 million to operate these veterans facilities.

LEGISLATIVE PROGRAM

LINCOLN'S DAY OBSERVANCE

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I have asked for this time for the purpose of inquiring of the majority leader as to the adjournment schedule for the observance of Abraham Lincoln's birthday.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. In response to the inquiry of the gentleman from Michigan, and for the benefit of Members and particularly Republican Members of the House, I am happy to announce that there will be no legislative business after Wednesday evening, February 10, until Tuesday noon, February 16.

Mr. GERALD R. FORD. In other words, we will adjourn on Wednesday at the conclusion of business on February 10.

Mr. ALBERT. That is correct.

Mr. GERALD R. FORD. And we will reconvene for business on Tuesday, February 16?

Mr. ALBERT. That is correct.

The SPEAKER. Might the Chair state that there will, of course, be pro forma meetings of the House during that period.

Mr. ALBERT. Yes, since this will not be an adjournment by resolution, but under 3-day unanimous consent agreements.

Mr. GERALD R. FORD. In other words, it is the expectation of the leadership that the House will meet on Monday, February 8; on Tuesday, February 9; and Wednesday, February 10, but as of now there is no business scheduled for those days?

Mr. ALBERT. I know of none at this time. Of course, our agreement begins Wednesday afternoon and ends Tuesday morning. However, the legislative program at the time will enable Members to govern themselves accordingly with respect to the other days.

Mr. GERALD R. FORD. I thank the distinguished majority leader.

CORRECTION OF THE RECORD

Mr. GOODELL. Mr. Speaker, I ask unanimous consent to make certain corrections in my remarks on page 934 of the Record of January 19.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The correction is as follows:

On page 934, column 2, line 18, and following:

Mr. GOODELL. I do know that this counsel is distinguished. I do not know the terms of his employment but he was apparently employed by Mr. Frankenberry who is the contestant or the alleged contestant here.

There has apparently been \$167,000 or more spent by the members of a congressional candidate's family in behalf of his candidacy. It seems to me that what the gentleman from Oklahoma is saying is that the only circumstance under which this can be investigated is by an affirmative vote by the majority of this House. There is a law with reference to contested elections designed to see to it that the American public is protected. Certainly enforcement of that law should not depend on a majority vote in the House. The law is so written to see to it that there is complete honesty and integrity in these elections.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be permitted to sit during sessions of the House for the remainder of the 89th Congress.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REPORT OF PROJECTS AND PROGRESS OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 63)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed, with illustrations:

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report of the projects and progress of the National Aeronautics and Space Administration for the period of January 1, 1964, through June 30, 1964.

This report covers in enlightening detail 6 months of accomplishment. Problems of technological complexity as well as those of managerial difficulty have been met with a sense of awareness of the contributions the national space program is making toward human welfare and world peace.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 26, 1965.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE

Mr. MAHON. Mr. Speaker, pursuant to the unanimous-consent order of last Thursday, I call up for consideration House Joint Resolution 234 and I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for

certain activities of the Department of Agriculture, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not exceeding 1½ hours, the time to be equally divided and controlled by the gentleman from Ohio [Mr. Bow] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 234), with Mr. HARRIS in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas [Mr. MAHON] will be recognized for 45 minutes and the gentleman from Ohio [Mr. Bow] will be recognized for 45 minutes.

The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield myself 1 minute.

The gentleman from Mississippi [Mr. WHITTEN] has been the chairman of the Subcommittee on Agricultural Appropriations for many years. When the Committee on Appropriations is fully organized this year, he will again resume that position. He is quite familiar with the issues involved in the pending resolution.

I therefore now yield 15 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, at the outset may I say that this request to restore capital impairment of the Commodity Credit Corporation comes as no surprise. In handling last year's agricultural appropriation bill on this floor, I advised the Congress that the Commodity Credit Corporation, with the funds which were to be provided in that bill, would doubtless find it necessary to come before Congress prior to the first of February to request additional funds. Members will find that in the CONGRESSIONAL RECORD in two or three different places.

I do not believe there is any controversy, or that there could be any, about the necessity for providing these funds. There may be some discussion concerning various and sundry aspects of the overall farm situation, and perhaps some other items.

At the outset, the agricultural programs were set up by the Congress on the basis that the purchasing power of American agriculture had to be protected and maintained in the interest of the overall national economy. Those laws provided price supports which in turn

were geared to maintaining a parity of purchasing power for American agriculture. Under the procedures for carrying that out, we set up the Commodity Credit Corporation in 1933. Originally that Corporation was set up, I believe, under the laws of Delaware. Later it became a Government corporation. It is a corporation because it has a need to buy and sell, to make loans, and to deal as any other business institution would.

Since the time when this Corporation was organized, it has been directed by the Congress to support the prices of wheat, corn, cotton, peanuts, rice, and tobacco, as well as wool, mohair, certain feed grains, milk, butterfat, honey, and tung nuts. Price supports also are provided by that Corporation on cottonseed, flaxseed, soybeans, dry edible beans, and crude pine gum.

In recent years, the Corporation has also been charged by Congress with the responsibility of financing certain other programs not directly related to its price support activities and not originally contemplated when the Corporation was created. These include three major programs: the International Wheat Agreement, Public Law 480, and the transfer of bartered materials acquired in exchange for agricultural commodities to the supplemental stockpile. In addition, a number of other programs have been assigned to the Corporation through the years, such as food and feed donations for emergency or disaster relief, donations to Federal and State penal institutions, furnishing of grain for migratory and game birds, loans for conservation purposes, emergency conservation assistance, and research to reduce surpluses.

The Corporation has a borrowing authority of \$14.5 billion. As of today the Corporation is holding up some of its outstanding obligations, because its borrowing authority is virtually exhausted. Yet under the law we find that the Corporation is directed to support the prices by loans on these storable commodities and by purchases with regard to the nonbasics and perishable commodities.

On the one hand, the law says that the officials of the Corporation must do these things. On the other hand, the law says that if they do support these commodities without adequate financing in hand, that is against the law, too.

Now, the description given in the hearings and the report indicates where the Corporation's borrowing authority has been used. The need for these funds is to enable the Corporation to continue to carry on its responsibility in the price support field.

May I say to you that if by any happenstance the Congress should fail to provide these funds and these loans were not available, it would bring about a disastrous situation in our country. Two or three things to keep in mind are that this borrowing authority will not be used except as required by law and that a cushion is needed in the operating funds of the Corporation. In the years I have served as chairman of this subcommittee there have been numerous instances where, for the perishables, because the Corporation had sufficient funds to sup-

port prices and announced that certain commodities would be supported—and in that connection I recall eggs and several other commodities—it in effect and in actuality had to buy very, very little, because it was known that if prices dropped below a certain level, the Government would step in.

So I say to you here is a necessity to restore the capital impairment to a corporation essential to the operation of our price support system and, I say, to our entire economy.

There are two other ways in which this Corporation could meet this problem. One of them would be to go before the legislative committee and increase the borrowing authority, which is something that would require a much longer time to do. In my own judgment, a \$14.5 billion corporation is big enough. The Corporation has something over \$7 billion in assets. About \$2.5 billion of those assets are in loans on commodities which they cannot call because the loans have not yet matured. They also own about \$4.7 billion of commodities.

If those were sold, the funds received would be available to carry out the obligations which they have to meet as directed by law. But we all know if the Corporation tried to raise its money by selling this \$4.7 billion worth of commodities, it would break commodity markets all over the world and we would really be in for the beginning of an all-out depression.

May I repeat again, in the last Congress we recognized the likelihood that the funds which were then provided for the Corporation would be involved in loans and purchases to the point where by February of this year we would be in here for additional funds, just as we are. You may say, "Why do you do that?" The pressures each year to hold appropriations as low as possible are such that we have been faced with this problem of meeting the need. That is the only answer to it.

You may raise the question, "Are you sure that the Corporation will, from now to July 1, the beginning of the new fiscal year, obligate all the funds you have in this bill?" I certainly hope not. The Corporation feels that it will be able to convert enough of its commodities into cash in the normal way, which will be available to meet its needs, and that other things will occur so that they may not use over about \$900 million of the funds that are here. But who knows definitely about that?

Second, with a big bank, such as this, they need lending authority to move in, in some cases, to show that they have the financial ability to support prices, in an effort to keep from having actually to take over these commodities.

Mr. Chairman, may I repeat that involved in this is the overall national economy. We have laws which require this Corporation to support the major basic commodities and many producers have not yet come into the Corporation for those loans. We cannot afford to fail to give the Corporation the right to meet these legal obligations.

The other point that I would like to make, as to whether they expect actually

to use all this money in this period, is that we are granting here money to restore capital impairment. But the basic source of funds for the Corporation is to borrow from the Treasury. The Corporation, with these funds, will not actually draw upon this authority until funds are actually required for the price supports as directed by law. The dollars that are withdrawn from the Treasury are limited to those that are actually required by law.

Further may I say that under the law the Corporation is charged with interest on funds withdrawn from the Treasury, as they are withdrawn, which in itself tends further to impair the capital stock of the Corporation.

There may be a great deal of discussion as to whether this set of figures or that set, or this farm program or that program, or this commodity or that other commodity, is affected. We are dealing here with a bank whose assets are all tied up in commodities that we cannot afford to have them sell. We have a bank that has these commitments which are essential to maintain the economy of this country. We, ourselves, have an obligation not to run any risk that this problem will not be met by providing these funds which, as I say, will be used only as they are required under laws that the Congress has passed.

Mr. Chairman, I do not see that there is any question or any controversy about the necessity to act in this instance. May I say that I had a call this morning from the vice president of one of the major banks in the country asking what the Congress would do in this case. I said that there is nothing we can do except to carry out the obligations of the law. And I meant just that. We do not have any choice in this case.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. NELSEN. Mr. Chairman, one of the complaints that constantly comes to my office is that Commodity Credit Corporation has been selling its commodities at a very low figure and driving the price down in the free marketplace. Would it not make some sense if the Commodity Credit Corporation instead of dumping cheap grain on the market and realizing a very limited income from that—would it not be much better if they would hold back and sell it at a higher price and permit the farmers' price to rise? It seems to me this is the major complaint that comes in. I hope the committee has taken that into account.

Mr. WHITTEN. Mr. Chairman, in the first place, as the gentleman will recall, this was the argument made in connection with legislation that was passed by the Congress in an effort to keep production in line with that which was desired. The Corporation by legislation—not by this committee—was called on to have its commodities available so as to keep prices at a level which would not lead to increased production.

May I say also that, where the Corporation has sold these commodities, the funds from those sales become available to carry out its commitments.

And if this were not an appropriation which restores their borrowing authority, and if we were considering a legislative bill when this subject comes up, I think there we might have some discussion as to whether that is sound or not sound. But in this bill we are trying to enable them to carry on their obligations under the law, and therefore this is not the place to get into this argumentative field as to what the legislation ought to be.

Mr. NELSEN. I thank the gentleman from Mississippi.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. QUIE. One of the alternatives you say is to sell commodities to which the Commodity Credit Corporation has title. Does the gentleman have figures on the amount of wheat which they have sold thus far in the fiscal year?

Mr. WHITTEN. That information is readily available, but I do not have it before me at this time. It is in the hearings.

But our immediate problem is to give the bank enough capital with which to carry on its business. That is the problem to which I have been directing my attention and which I feel must be considered. However, the figures are readily available.

Mr. QUIE. If the gentleman will yield further, if the Commodity Credit Corporation had not sold this huge volume of wheat, then you would have been required to come in here and ask for a greater amount than the \$1.7 billion which is now being requested? I understand the total sales in the last half of calendar year 1964 were just under \$1 billion for all commodities.

Mr. WHITTEN. Through the years we have insisted that this Corporation stay in world markets in order to keep its commodities moving. If they do not, they will require that much more money. Further, unless we continue to sell abroad, we will have to reduce the acreage and production at home, which in itself would constitute a serious problem.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. I believe the figure which the gentleman from Minnesota has requested appears on page 35 of the hearings which shows the receipts from the sale of wheat.

Mr. WHITTEN. I thank the gentleman.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Could the gentleman from Mississippi clarify for the Members what this action does in relationship to the appropriation bill for fiscal year 1965 which the House passed in calendar year 1964? There were certain actions which were taken at the time of the consideration of the appropriation bill for fiscal year 1965 but I am not clear as to how this relates to what we did last year.

Mr. WHITTEN. I handled the bill

last year, as the gentleman from Michigan knows, and I have handled it for the past 12 or 14 years. Last year, based upon my own experience of prior years, I pointed out that the funds contained in that bill to restore capital impairment to the Corporation in my opinion were at a level where we would have to be back in here by the first of February 1965, requesting over \$1 billion for the operation of the Corporation. The gentleman from Michigan will find that in the hearings. I believe my exact words were—I said, "This Corporation was broke, b-r-o-k-e." We laid it right out on the table. However, with all of the problems which we have today in dealing with agriculture, it was rather difficult for us to come in here with a bill over the budget by that amount. But we did lay it on the table and pointed out what was involved.

May I make one observation which is a little apart from that particular problem?

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. MAHON. I yield the gentleman 5 additional minutes.

Mr. WHITTEN. This is digressing a little from the point which the gentleman from Michigan has raised here, but it is very vital to the welfare of the country. The Washington Post, the local newspaper, on yesterday had an editorial pointing out that, of the \$35 billion which is received by American agriculture, 78 percent is spent with industry and labor.

May I say to the members of the committee that American agriculture is by far the biggest customer or buyer from industry and labor. May I say that while we have only 8 percent of our people on the farm, every time we have lost a farmer we have lost a potential buyer of machinery, chemicals and everything else which, in turn, comes from industry.

I say to the members of the committee—and this again is digressing from the immediate problem—that agriculture today is just as much one of the "big three" insofar as the well-being of this country is concerned as ever before in our history. This means that the people who are engaged in agriculture invest more and more in machinery and other items which are involved in production. Thus they are important consumers of American business.

But, Mr. Chairman, involved here is the bank itself which under the law has to perform all of these duties on which this country depends.

Mr. GERALD R. FORD. I ask these questions because I think the gentleman's long experience and intimate knowledge of the financing of the Department of Agriculture, particularly the Commodity Credit Corporation, is most valuable to all of us. I understand that in the hearings last year on the budget for the Department of Agriculture, the gentleman raised questions concerning whether they had enough capital for the proper operation of the Commodity Credit Corporation during fiscal year 1965.

Mr. WHITTEN. I want to be completely candid with the gentleman. I do not know whether I asked those questions or not, but I was convinced in my own mind that they were not. But whether I asked them or told them, I do not recall.

Mr. GERALD R. FORD. In other words, at least the belief you had a year ago in this regard is now true. They did not ask for enough based on what knowledgeable people would ask for as they looked down the road in the field of agriculture.

Mr. WHITTEN. Certainly that would be my view. There is a certain amount of difficulty in estimating the needs of the Corporation; however, due to many unpredictable factors such as production trends, market demand, weather, insects, individual decisions, and similar things.

Also, there is the problem of having sufficient operating margin to announce supports for surpluses, particularly for perishables. It is extremely difficult to determine in advance how much margin may be needed to meet such factors.

Frequently you do not have to move in to support such surpluses, but once you let the bottom break out and allow the price to fall there is a real need to have a sufficient latitude for them to operate their business as any other corporation would do. This is a corporation for the very reasons I have discussed here.

Mr. GERALD R. FORD. May I ask one other question? Does the gentleman from Mississippi recall what was asked for in the budget message a year ago in this category? Does he have that figure at hand?

Mr. WHITTEN. As the gentleman knows, being a ranking member of the Appropriations Committee, those figures are readily available, but I do not happen to have them here.

Mr. GERALD R. FORD. I am told the budget request was \$5.8 billion. Did the Congress make funds available last year to that extent?

Mr. WHITTEN. No. With all the problems that we had in trying to get these things through under pressure, Congress did make some reductions.

Four years ago, our subcommittee provided additional funds to put these programs on a pay-as-you-go-basis. Since that time, however, under the pressures of budget deficits and trying to stay within the overall budget amounts, we have not provided them with all the funds needed to actually get by.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MAHON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. GERALD R. FORD. As I understand it, the President's budget for fiscal year 1965 requested \$5.8 billion. We are now asked to make available \$1.6 billion. How much was that above what President Johnson and Secretary of Agriculture Freeman asked for a year ago? Does the gentleman recall that figure?

Mr. WHITTEN. I do not recall exactly, but in my opinion it was a little over a billion dollars. But as I say again, we all have been around here long enough to know how these things work.

This will show as an appropriation by Congress for the operation for the fiscal year 1965.

I do say again, however, that whether this will all be spent I do not know, and I hope not. I repeat, funds will not be withdrawn from the Treasury until actually needed to carry out an obligation. So theoretically the money might not come out of the Treasury at all. In actuality, I am convinced that one-half to two-thirds of it will, so that they will not needlessly upset the commodity markets.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. LATTA. I want to compliment the gentleman for a very fine review of how the Commodity Credit Corporation works. Would the gentleman enlighten us further, on page 2, as to what this \$1,100 million means in commodities? How is this broken down?

Mr. WHITTEN. The gentleman means the restoration of capital impairment item?

Mr. LATTA. Yes, the \$1,100 million.

Mr. WHITTEN. The funds in this bill are provided under three paragraphs. Those are descriptive to indicate the purposes involved. Actually the money is authorized to allow the corporation to restore the impairment of capital. Once this is passed, it can be used for any purpose for which the corporation is authorized to act. The restoration is requested in connection with the program which incurs the cost.

Mr. LATTA. I understand that, but calling particular attention to the \$1,100 million, my question referred to what commodities, how much in tobacco, corn, wheat, and so forth.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. I would say to my friend that this information is shown on page 35 of the hearings, which are immediately available to all of us. These funds which are being requested will be used to make loans and purchases of corn, feed grains, and other commodities in the program. These funds are commingled. They are used to support all types of commodity support programs.

Mr. BOW. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, our situation today brings back recollections from yesteryear. Public Law 1 of the 88th Congress was a resolution similar to that which we are considering today. At that time it was to restore the capital impairment of CCC for \$508 million. Today, the first measure of consequence to come before the 89th Congress is a similar request but with a far bigger figure. I think it is significant that the day after receiving the budget message for the coming fiscal year we are here to consider a supplemental request for the current fiscal year of \$1,742 million.

Bear in mind that yesterday the budget figure did not bridge that psychological barrier of \$100 billion. In my opinion, it is a phony figure, and what we are doing today points up the phony-ness of last year's budget. What was presented to us a year ago has turned into something a lot different today. Looking down the road we will see them one after another when we expose these phony figures to the pure light of day.

Last May I said in debate on this bill we would probably have to come up with \$975 million more to really balance up the books of the Commodity Credit Corporation. In August when the conference report was considered I said again it would have to be in the neighborhood of \$1 billion, as the chairman pointed out. Now, several months later, it is up to an even greater figure of \$1,700 million.

You know this item is the easiest one in this agricultural budget to cut because it is the kind of thing that does not reflect itself in the current year when we are appropriating for the Department of Agriculture. In this item today, for example, there is an item for \$100 million for net realized losses sustained in the year 1962. The balance of the net realized losses, amount of \$1.081 billion is for 1963. We are always running a couple of years behind time in balancing the books of CCC for the sales of surplus agricultural commodities to these underdeveloped countries. Since there are a number of new Members of the House on the floor it might be well for you to get firmly in mind what happens in these transactions under Public Law 480 to underdeveloped countries.

The sales, so called, are in the main for local currencies rather than dollars. To balance the books of CCC we need dollars and this is where the taxpayer gets it in the neck for we have to appropriate dollars to make up the difference. To be quite frank these local currencies are of very little value to us unless they are used in the country itself. In other words there is no possible way for them to be used in the foreseeable future to help balance the books of CCC. To give you a better idea of what we are talking about these net realized losses for the year 1962 total \$2,800 million. In the year 1963 they totaled \$2,650 million. The best estimates for these net realized losses in 1964 will be \$3,220 million.

Now the bigger part of this, in effect, has got to be charged to foreign aid because it is for sales of agricultural surpluses abroad for local currencies that we cannot use. So when they talk about this foreign aid program later on in the year in the neighborhood of \$3 billion or \$4 billion. You just add a couple of more billion dollars made up of the sale of agricultural commodities for local currencies and you have the picture in better perspective.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. FINDLEY. The gentleman was speaking of the effect of the supplemental appropriation and the budget just presented by the President. The Presi-

dent's budget, I understand, came to \$99.7 billion, just shy of \$100 billion. Am I not correct in saying that if the supplemental appropriation for U.S. aid this year had been handled with the same goal as the one presented last year, namely, to wind up the fiscal year with about \$400 million in the Commodity Credit Corporation bank instead of almost a billion dollars as provided this time, the President would have had to present a budget in excess of \$100 billion earlier; would he not?

Mr. MICHEL. The gentleman is absolutely correct.

New there are three ways out of this dilemma in which we find ourselves today. First, the Commodity Credit Corporation could sell the commodities to which it has title, but if it did that in any significant amount, you know what would happen to all the grain markets and the economy around the country. The moment you would have any wholesale dumping on the market of these surplus commodities there would be complete chaos.

Second, we could increase the borrowing authority of the Commodity Credit Corporation above the \$14½ billion limit, however we do not want to do that. We say it is already too large.

The only avenue open to us today is to appropriate in dollars to make up for this deficiency in net realized losses.

Now the request that originally came up from the department was for \$1,742 million and your subcommittee—not an officially constituted subcommittee, but those of us who sat in as a subcommittee came up with the figure of \$1,600 million. Is this the right and proper figure for this supplemental appropriation? There is a question and an area of doubt.

If we appropriate the full \$1,600 million it means by the end of this fiscal year, June 30, the Commodity Credit Corporation will have something in the neighborhood of \$800 million or \$900 million to play with for the coming fiscal year. Last year they started out the fiscal year with only \$400 million to play with in these transactions.

There could conceivably be an argument that they do not need this full amount and that maybe they can get by with somewhat less.

I believe personally we would probably only be kidding ourselves again, and it would be necessary to come back several months hence to ante up for what we would not be doing today, if we followed that procedure. Personally, I would prefer to be honest and direct with the Members of this House and the American people, and tell them the losses we have sustained forthrightly. We should say, "This is what it costs for these programs, and we are here now to do the job which has to be done."

I believe it is significant to read the requests and the hearings, which show some of the figures that go into making up the request of \$1.7 billion. If Members will look at some of the testimony, they will find that the Department said, in the words of their witnesses, that the cotton portion of the so-called wheat-cotton bill, if enacted into law would result in saving \$200 million.

What are the facts? The facts are that there will not be a saving of \$200 million at all, but there will be a cost of more than \$300 million in addition to what was conceived to be the cost of the program. There is a total item here of \$543 million in this program alone.

Then we get into the feed grains program. They say that most of the increase is for advance payments due to an increased estimated acreage to be diverted, from 25 to 35 million acres. This item is \$240 million more than what they thought the program would cost.

This was that great program whipped through the House. You may remember that it went to the Senate and came back with the cotton bill attached. It was jammed down our throats, with no debate, as a "take it or leave it" proposition. It was said, at the time, "It will save the taxpayers beaucoup money."

What happened? Today we are here to ante up the difference between what they said it would save and what it actually is costing the American taxpayer.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Massachusetts.

Mr. CONTE. I compliment the gentleman for his fine presentation.

Speaking with regard to the cotton bill, I notice, as shown on page 33 of the committee hearings, that Mr. Beach, in answer to a question, said:

The estimate made last year was based on the assumptions Mr. Godfrey outlined to you, that the cotton legislation would result in savings in expenditures of \$200 million below the estimated expenditures based on a continuation of the 1963 type program and the other piece of legislation was the \$140 million saving in interest cost which would have resulted from the language stricken from the floor last year on a point of order. That is \$340 million. Instead of having a saving on cotton of \$200 million as was expected, the cost increased \$343 million which made a difference of \$543 million. When you add those two items together—

Mr. MICHEL. I appreciate the gentleman's giving the official citation.

Mr. CONTE. In other words, this cotton program is now costing the taxpayers a half-billion dollars.

Mr. MICHEL. That is exactly correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOW. I yield the gentleman 2 additional minutes.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Illinois.

Mr. FINDLEY. I would hate to have the RECORD stand as indicating that the total cost of the cotton program will be only a half-billion dollars for the current crop year. The fact is it will be more than a billion dollars, or more than one-half the market value of the entire cotton crop.

Mr. MICHEL. The point the gentleman makes is a very good one, and I am grateful for his alertness. Of course all of us have been aware of his valuable contributions in these matters since becoming a Member of the House.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Would the gentleman sum this up by saying that the taxpayers have lost their cotton shirts right off their backs?

Mr. MICHEL. That could be said. Yes.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back 1 minute.

Mr. BOW. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, if I may have the attention of the gentleman from Michigan, the minority leader [Mr. GERALD R. FORD], I believe I have the answer to the question he propounded with respect to the appropriation request for this item last year.

I have the hearings on the bill for 1965, the current fiscal year, and on page 369 thereof I find this caption: "Reimbursement for net realized losses of the Commodity Credit Corporation." That is what we are talking about today.

Mr. GERALD R. FORD. What was that figure again?

Mr. JONAS. That is just the caption. Under the caption it states—and this is quoted from the justification of the Department of Agriculture's witnesses last year before the Subcommittee on Agriculture—and I quote: "For reimbursement for net realized losses of the CCC we request \$1,724 million, a reduction of \$975.4 million."

What they did last year was to reduce this budget item by nearly \$1 billion and claim credit for it. That was a great reduction—nearly a billion dollars. They were great economizers then. Yet the claimed credit of nearly \$1 billion reduction did not stand up. We knew last year that it would not stand up because the gentleman from Mississippi [Mr. WHITTEN] stated on the floor then that the Congress would be requested early this year to restore it. The gentleman from Illinois [Mr. MICHEL] gave the same warning on the floor of the House.

The trouble we are in today is because the Department last year underestimated by \$1 billion the amount that they would need.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I will be glad to yield to the minority leader.

Mr. GERALD R. FORD. Was this gross error in the estimate something that has happened just one year, or is there a history of such inaccurate estimating?

Mr. JONAS. As the gentleman knows, I am not a regular member of the Subcommittee on Agriculture. I was assigned to this particular hearing by the chairman of our committee. He created a sort of deficiencies subcommittee because the full committee is not yet organized, as the gentleman knows. Therefore, I do not have the history or the record of this in mind. I am not an expert in this field. However, I will say that I have studied this enough to know that the term "restoration of capital" is a

\$50 word which simply means that we are making up the losses sustained by the Commodity Credit Corporation, and the losses we are asked to make up in this bill today are losses it incurred in 1962 and 1963. We have not even gotten to the losses incurred in 1964. If we undertook today to make up the losses incurred in 1964, we would have another \$1 billion bill in here.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield further?

Mr. JONAS. I will be glad to yield.

Mr. GERALD R. FORD. I have looked over the appropriations or, rather, the actual expenditures for the Department of Agriculture for the last several years, and I note they are substantially higher than they have been in the prior few years.

Mr. JONAS. And my understanding is that they are higher than ever in the new budget just received yesterday.

Mr. GERALD R. FORD. Which prompts me to make the observation that Secretary of Agriculture Freeman has been the most expensive commodity ever produced by the Department of Agriculture.

Mr. JONAS. Well, I will simply say this: based on the estimates given the committee last year, as reflected in the hearings and as reflected in statements made by committee members on the floor, somebody down in the Department of Agriculture is not doing a good job of estimating expenditures. I will admit that it is difficult to estimate exactly how much cotton you will have to buy and how much wheat you will have to buy and how many other products you will have to buy, but it does seem a little strange to me that, having had all of the experience they have had, they would make a \$1 billion mistake a year ago in underestimating the amount of money they would need. Of course this enabled the administration to claim great credit for reducing the budget. It made the administration look good. But when, in less than 7 months, the first act, Congress is requested by the administration to take is to repair that mistake, the economy image becomes somewhat tarnished. This deficiency bill amounting to \$1.6 billion would not be here as the first order of business of this Congress if the administration had not arbitrarily reduced the previous year's appropriation last year by nearly a billion dollars.

Mr. GERALD R. FORD. Could the gentleman from North Carolina tell me what percentage error officials of the Department of Agriculture made? The gentleman has indicated that they made a gross error of \$1 billion in estimating their future cost of the CCC. Percentage-wise how far off were they in their estimate?

Mr. JONAS. They reported a reduction of \$975 million below the previous year's request, and last year requested \$1,724 million. Someone who is good in mathematics can divide that out and get the percentage. I have not done that.

Mr. GERALD R. FORD. It is not quite a 100-percent error but it is rather substantially.

Mr. JONAS. It is a \$975 million reduction, and they requested \$1,724 million; that is above 50 percent.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. MICHEL. Mr. Chairman, the distinguished minority leader raised a question here with respect to the most expensive commodity in the Department of Agriculture, meaning Mr. Freeman himself. It might be well to note that in 1960 it cost \$5.4 billion to run the Department of Agriculture. By 1961 it was \$5.9 billion. By 1962 it was \$6.6 billion. By 1963 it was \$7.7 billion. In 1964 it was \$6.9 billion. It will be about \$6.8 billion for the current fiscal year.

Mr. JONAS. The gentleman will recall this. I believe last year in Committee of the Whole we had an amendment offered on the floor which provided that at no time in the future could the Department of Agriculture have more employees than there are farmers in the United States. That amendment carried in Committee of the Whole but was eliminated when we went back into the House.

Mr. Chairman, may I make one other comment in concluding my remarks? The record will show that according to the best estimates of the Department, if this money is provided, the Commodity Credit Corporation will have on hand in new borrowing authority at the end of the current fiscal year, June 30, 1965, between \$800 and \$900 million. While it has been stated here on the floor that it is a \$14 billion Corporation, of course it does have borrowing authority of \$14 billion, but it owns commodities worth \$5 billion and it has, I understand, loans of about \$2.5 billion and also has other operations. So it is not exactly a \$14 billion Corporation if you take off the losses that it has sustained over the years. Nevertheless, it is a substantial Corporation. Maybe they need to carry over into the new year \$800 or \$900 million. They carried over last year only about half that amount. So that is a question of judgment.

The subcommittee in its wisdom decided that they had made out a good case for this additional leeway or margin or cushion or additional capital, whatever you wish to call it. But I think the members of the Committee today ought to know that if this bill is approved the Corporation will carry over into the new fiscal year between \$500 million and \$1 billion of additional borrowing authority; and it is a question of judgment whether they actually need that much or not.

Mr. MAHON. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. RONCALIO].

(Mr. RONCALIO asked and was given permission to revise and extend his remarks.)

Mr. RONCALIO. Mr. Chairman, it ill behooves a freshman in this group whose State receives benefits from support of wool as well as wheat payments under this program, to be critical of this overall program. Also, under consideration is a supplemental appropriation, and

it may not be the appropriate time to comment. But there are nevertheless many of us in America who would like to know what programs, if any, are being considered in the Department of Agriculture designed to reduce tobacco acreage, to reduce tobacco use, and to reduce commodity payments for crops that are detrimental to the health of the people of the Nation.

Mr. Chairman, I thank the gentleman from Texas for yielding me this time, and for allowing me this observation on this bill.

Mr. MAHON. Mr. Chairman, I yield myself 5 minutes.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Chairman, all of us recognize that we are confronted today with the problem of providing funds which are required by law. We are not here to determine the course of agricultural legislative policy. That is another matter. Of course, there are many views and opinions as to how we should undertake to solve our farm problems. In this resolution today we are simply up against the proposition of having a law on the books which provides for a course of conduct by the Government and we have to provide the money in order to carry out the law which we ourselves passed. It is really that simple.

Mr. Chairman, in 1932 the country was in a state of agricultural prostration.

In 1933 the Commodity Credit Corporation was established. It gave stability to agriculture and as a result of the stability which has been given to agriculture, a fantastically successful record has been made. The American people are able to secure food and fiber at a lower relative cost than people in any other country of the world.

Mr. Chairman, the success of the program has been dramatic. The number of people required to produce in agriculture has been drastically reduced. This has freed the American people for tremendous progress in other areas. We really have no reason to apologize for the overall progress which we have made, sometimes under laws which have not been adequate and which many times have been cumbersome.

We are faced with the bill before us today because of two or three problems.

Last year the gentleman from Mississippi [Mr. WHITTEN], the chairman of the subcommittee, stated here on the floor during debate on the appropriation bill that the capital stock of the Commodity Credit Corporation would have to be repaired early this year. In hindsight, we can see that the budget was too low, in the first place; and in the second place, Congress cut the request by about a half-billion dollars. If we had not cut the budget last year in the House as we did—and I supported the cut—we would not be in quite such an immediately urgent position, though we would still have to take action very shortly in the present fiscal year.

So, Mr. Chairman, there was a miscalculation on the part of the executive branch as to the exact amount of money

required, and then we reduced the funds requested for the entire program by about a half a billion dollars.

Mr. Chairman, what I think we need to do here is simply to provide the additional funds for this \$14.5 billion corporation which will give it an operating leeway of about 5 percent, which certainly does not seem like too much for a banking-type operation.

Mr. Chairman, I hope we will not undertake to fight the battle of foreign policy or general farm program policy here, but simply implement the law which we ourselves have passed. If we want to change the law, we can change it later in the session in the regular legislative way after proper hearings.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman from North Carolina.

Mr. JONAS. I think the Record ought to show that the Congress last year reduced this particular item, the restoration of capital, by only \$150 million.

Mr. MAHON. That is right, but these funds are all commingled and they are interchangeable, so this is not significant.

Mr. JONAS. If the gentleman will yield further, I understand that, but the \$975 million reduction below the previous year, claimed in the 1965 budget, applied to this particular item and Congress cut that reduced request by only \$150 million.

Mr. MAHON. Yes. So, let us admit that there was a miscalculation and that the additional funds are required under the law.

Mr. Chairman, it seems to me that we have no other alternative here if we are to implement the laws which we ourselves have approved.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, it has been very affectively and very convincingly stated by both the chairman of the full committee and the chairman of the subcommittee that there is a real need and a real urgency for this legislation. Certainly, knowledgeable as they are of the whole background of the agricultural scene they have stated their case well and I should try as convincingly to agree with them that there is both a need and an urgency.

But the fact that these two conditions prevail causes me to be reminded that there are a couple of reasons why we in this Congress and the entire Nation ought to be alarmed by the situation which prevails. Why do I say that? I say it because we are now only 6½ months into this fiscal year, and find ourselves in a position where the entire agricultural program, the whole price support system, is threatened with collapse unless action is taken by this Congress within a matter of days.

In addition to that, it has also been pointed out that not only is the farm need urgent in this matter, but the entire national economy is threatened in ex-

actly the same way. We should realize how serious the question is.

I refer you to the hearing that was held by the subcommittee the other day. In response to questions on the subject, Mr. Godfrey said:

We now have in our four commodity offices outstanding bills of \$62.5 million which we are holding and not making payments, because we needed the \$54 million, we felt, to make loans to farmers in county offices.

All they had left as of last Thursday was \$54 million, with \$62.5 million in unpaid bills pending. They are literally bankrupt. I have heard mention around this Chamber a good many times some reference to brinkmanship. This is brinkmanship at its very worst because these threats do prevail with regard to the future of agriculture as well as our entire economy.

If we were faced with this kind of proposition and it had served the purpose it was designed to serve; namely, that the agricultural opportunity of this Nation was what it should be, that would be one thing. But instead we find an agricultural economy that is back to where it was in the depression days of the 1930's. With the prices available to farmers on a parity basis having dropped to the level of the mid-1930's—of 45 percent—I cannot help but recall the number of times I have heard programs that have been proposed, designed to accomplish two purposes: No. 1, to improve our economy and, No. 2, to cost the taxpayers less money. But we have the reverse of that today. The income is down and the cost is up. As was pointed out very well by my colleague, the gentleman from Illinois [Mr. MICHEL] a few minutes ago, this is an indication that all of these programs have failed to function as they were designed to function. Many of us have pointed out these flaws from time to time. It is time that we begin requesting that the Department of Agriculture furnish us with a reliable estimation of what the needs of the Commodity Credit Corporation are going to be so the Congress and the committees can give due consideration to the needs at the time when they ought to be made; namely, in the regular appropriation bill.

This is the second time we have had this experience, and we have been placed in the position where we have to act instantaneously in order to take care of their needs. What a threat it is to those concerned with both the income of the farm people as well as the national economy.

I should take notice of the extent to which the programs have been improperly administered, thereby aggravating the entire problem, by the Commodity Credit Corporation. My colleague, the gentleman from Minnesota [Mr. NELSEN] recently pointed out the inequity of the sales by the Corporation at prices that were too low and that reduced the prices further. There is also another factor that is equally important. The price support program has been reduced for wheat and feed grains recently. Whenever that is done, what happens? The market moves down along with it. Then the value of the C.C.C. stocks automatically goes down along with it. When

Commodity Credit Corporation is then forced to move some of it on the market, of course, this is a loss. It is rather simple arithmetic that you are going to lose money operating on that basis. These are problems that we are going to have to continue to face in the future, and we are going to need a system and a program that deals more realistically with those particular phases of it. With better administration, and more reliable estimates of needs and costs.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I want to associate myself with the remarks of the gentleman from Minnesota. We have been hearing a great deal about how the administration is economy minded and we have been getting press releases about how they were going to save \$23 million by closing down veterans hospitals around the country, and this has been front-page news. I am just wondering how the press will handle this so-called billion-dollar error in this appropriation. They claim to save \$23 million closing veterans hospitals. Yet they ask \$1.6 billion more in this appropriation.

If you will check the figure you will find we lost \$43 million on our sale of wheat to Russia. We sold wheat to Russia. It cost the taxpayers \$43 million. But it is a great economy move when we save \$23 million closing down veterans hospitals at the expense of veterans care.

Mr. LANGEN. May I thank my colleague for making that excellent point. I think it is well to remind the House at this point that it has been only 6 months ago when this same money we are talking about today was pictured to the people of the United States as being an economy move, and represented a saving of a billion dollars.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the distinguished chairman of the committee.

Mr. MAHON. With respect to the sale of wheat to Russia, which has just been mentioned, I believe the gentleman is aware that the Government collected from Russia in cash \$154 million for the sale of wheat at the world price. It is true this wheat was brought from the farmers at a higher price, but the sale to Russia was for \$154 million.

Mr. CEDERBERG. I do not think there is any difference of opinion in the way the sale was made, but the fact still remains that the American taxpayer sold it at a lower price, at the world market, and had to make up the difference.

Mr. MAHON. The sale had to be made at the world price, but if it had not been sold at all, the taxpayer would have been less well off. If we had not made the sale to Russia we would be out the \$154 million and would be paying storage charges on that much additional wheat.

Mr. CEDERBERG. Except that it could have been used to better advantage in some other area of the free world.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. As a matter of fact, had this wheat that was sold to Russia been sold to American millers, the taxpayers would not have suffered this \$40 million loss at all.

Mr. MAHON. The American mills are being supplied what they need and there is an abundant supply on hand if they want it. I think this was a rather substantial saving to the taxpayer.

Mr. FINDLEY. The Secretary of Agriculture has hinted that there may be a shortage of wheat one of these days.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Ohio.

Mr. LATTA. I would just like to clear up one point with reference to the purchase of wheat under this certificate plan by our domestic millers. They have to pay 70 cents per bushel on each bushel they purchase. So it is not on a par with sales to Russia as the gentleman from Texas indicates.

Mr. LANGEN. The gentleman has made a very good point. The fact still remains that we do have before us today a request for \$1,700 million to make up for the losses that have been sustained by the Commodity Credit Corporation. As I recall, when the question of the sale of wheat to Russia was before us, it was emphasized with "all the money we are going to save."

But regardless of what the experience has been, we are still faced with the need for making this appropriation at this time. I want to conclude then, Mr. Chairman, with this observation. What an injustice this need before us today is to the agricultural industry of this Nation. Requiring them to be placed in this kind of a position where literally they have to beg at the last moment for consideration by this House of Representatives in order to get funds with which to finance inadequate programs. All because of miscalculations and juggling of figures by Department personnel. This is the history we have experienced and I am hoping our experience today may serve as a lesson to the Department in any actions that they take in the future regarding appropriations for the coming fiscal year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, in view of the reference to the sale of wheat to Russia, I think it should be pointed out that this wheat was sold to Russia for cash. It was sold to Russia on the same basis that it would have been sold to England, or to France or to any friendly country. It was sold at the world market price. Of course, wheat sold to our own domestic mills is sold at a different price level, so it clouds the issue to undertake to say that Russia was given any special privilege. We got \$154 million in cash from Russia, which was helpful to us and which, of course, was a drain on the gold supply of the Soviet Union, but they needed the wheat and they paid for it.

Mr. Chairman, I have no further requests for time in general debate on this side.

Mr. MICHEL. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, continuing the discussion of wheat sales to Russia, it is not correct to state that the wheat was sold to the Russians on the same terms and conditions as wheat was being sold before to free countries. As a matter of fact, the Soviet Union got a super-duper discount on the Durum wheat involved in the transaction, a discount worth somewhere around \$3 million. So there was definitely a price advantage given to the agents of the Soviet Union on that transaction.

Getting back to the supplemental appropriation bill before us now, the main part, of course, is the \$1.1 billion to recover some of the losses caused by farm programs and to restore this to the Commodity Credit Corporation. We ought to take just a minute and think about the Commodity Credit Corporation and what it is. It is a Government-owned bank, the largest bank in all the world. It has an authorized capital structure of \$14.5 billion.

A question arose in the discussion earlier today as to why there should be a supplemental appropriation bill so soon after the regular Department appropriation bill was passed. There are two obvious advantages. First, using the supplemental appropriation route does help to make last year's budget look better than it otherwise would. Second, by being bunched in with some other items, hopefully, it will hide some of the cost of farm programs of the past year. In a way, it is an exercise in concealment.

Will this restore the Commodity Credit Corporation to the full \$14.5 billion? It certainly will not. We should keep that fact in mind and ask ourselves: "Why?"

If Members will check the Commodity Credit Corporation reports they will find that full restoration of losses has not occurred for 4 years. On page 10 of the Commodity Credit Corporation report of financial conditions and operations as of November 30, 1964, there are listed for fiscal years 1961, 1962, 1963, 1964, and 1965 the amounts of unrestored losses, losses caused by farm programs of these years. These unrestored losses of the past 4 years amount to the astronomical figure of \$8.1 billion. What we could be considering today, if we were really seeking to restore the capital resources of the Commodity Credit Corporation, would be a supplemental appropriation bill in the amount of \$8.1 billion instead of \$1.1 billion.

The reason why we are not is also obvious. To do so would point the finger clearly at the extraordinary costs of these farm programs over the past 4 years. It is a \$8 billion cost item which otherwise would not show up and thus not be apparent to the public. So, in a sense, we are engaged in a sort of conspiracy against public understanding, in hiding the truth from the American people about the financial operations of the Department of Agriculture.

According to the hearings, the 1965

budget assumed that the cost of the cotton program would go down \$200 million. Instead, according to the hearings, it went up \$343 million. Testimony reported in the hearings indicates that this costly failure could not have been anticipated. I would question that.

The blame was placed on bad weather, which caused high yields. The "bad weather" in this case was good weather, because it resulted in high yields of cotton.

Had those people read the minority views, prepared last year by the Committee on Agriculture, and available to the public as well as to members of the Appropriations Committee, they would have been braced for what happened. The minority views of last year documented exactly why the cotton bill would boost the cost of the cotton program by \$221 million at the very least. We used the phrase in those views, "at the very least."

If the expense of the program is due to good yields of cotton, are we foredoomed to another costly "fizzle" of the cotton program this year, if yields continue to be good. Is the cotton program so shaky it will work only in the event of a crop failure?

What about the cost of the cotton program? The estimate presented by the Committee on Agriculture last year, assuming that no cotton bill was passed, was \$772 million. Now the increased cost, as a result of this new bill and as evidenced by the hearing of the appropriations subcommittee, is an addition of \$343 million, bringing the grand total cost of the cotton program, by this estimate, to \$1,115 million. This is more than one-half of the market value of the 15 million-bale cotton crop of 1964. At 30 cents a pound the cotton crop would have a worth of \$2¼ billion. At 24 cents a pound, which is the market value of cotton in world circles, the crop would be worth only \$1.8 billion.

Under this new cotton bill the mills were to get direct payments, and payments they certainly have received. If you who are interested in this bill will refer to the RECORD of today, January 25, and turn to page 1084, you will find listed there the direct interim payments to textile mills since this bill was placed into effect last summer. These payments come to a total of \$86.1 million. They represent just the payments for the interim or transition period. It did not involve the crop year of 1964-65. The additional payments for the crop year, believe it or not, are estimated to come to \$445 million in addition to the payments of \$86.1 million.

Well, the crop year is about half gone, which means roughly \$227.5 million in addition to the \$86 million interim payments have already been disbursed to the textile mills, and with a half year yet to go that means they will be on the receiving end of \$227.5 million additional, with a grand total payment already made to the textile mills of \$313.6 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FINDLEY. Now, have the textile mills lived up to their end of the deal? Have the textile mills lived up to their end of the bargain? They have not. Under the bargain they were to receive direct payments from the taxpayers in return for which they were to reduce the price to consumers of cotton products. Every indication I have received from the pages of the Wall Street Journal and from the Cotton Situation Report of November as well as of September, issued by the U.S. Department of Agriculture, indicates that consumer prices for cotton textiles, the gray cloth, too, is up and not down as compared to a year ago. I quote from the Cotton Situation Report of last September. These are words which are worth listening to:

Cloth prices about the same. The average wholesale value of fabric (20 constructions) made from a pound of cotton in August was 61 cents per pound, up slightly from the 60.95 cents in July and 60.60 cents in August 1963. The average price for the 1963-64 season was 61.65 cents compared with 60.52 cents for the previous year. * * *

Prices paid by mills for cotton used in these 20 constructions, which reflect the 6.5-cent equalization payments, were at the lowest level since May 1946. At the same time, mill margins in August were at the highest level since February 1953. For 1963-64 crop year mill margins, the difference between the price of a pound of cotton and its approximate cloth equivalent averaged 26.19 cents, up from 24.91 cents for the previous year.

The mills have not lived up to their end of the bargain but they have been on the receiving end of multimillion-dollar payments.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MICHEL. Mr. Chairman, I yield myself 1 minute to supplement what the gentleman from Illinois [Mr. FINDLEY] said in his opening remarks in respect to the machinations that went into the subsidized sale of wheat to the Soviet Union. To make it very clear of the total amount of that sale, \$18 million, was reflected in the sale being lower than the acquisition cost of the wheat. The balance between the \$18 million and the \$42 million or \$43 million went into storage charges, carrying charges, and the freight. So it is like most of these export sales, that is, heavily subsidized and a direct cost to the taxpayers.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. MICHEL. I yield to the gentleman.

Mr. WHITTEN. I am not defending the sale of wheat to Russia. I recall that I opposed an amendment which would have prohibited it on the basis that to tie your hands where you could not do it under any circumstances was unwise. However, it is my understanding under this sale, as in all others, the sales were made on a competitive basis to American business. We then granted the exporters permits so that they could sell to Russia in line with world prices, which is the price level for all sales abroad. It cost us no more than a similar sale of wheat to any other nation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MICHEL. Mr. Chairman, before yielding to my good friend, the gentleman from Wisconsin [Mr. LAIRD], I would like to say that the price of the Durum wheat was not sold at a competitive price and I think the record will bear this out.

Mr. Chairman, I yield the balance of the time on this side to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I thank the gentleman from Illinois.

Mr. Chairman, this supplemental appropriation for the Commodity Credit Corporation in the amount of \$1.6 billion is especially disturbing, coming as it does just 24 hours after the President submitted his so-called economy budget to the Congress.

It appears just a little bit hypocritical to take bows for an expenditure budget that is barely under a hundred billion dollars when on the very next day a supplemental of more than a billion and a half dollars is submitted. Can anyone doubt that this supplemental which will be charged to the fiscal 1965 budget contains hundreds of millions of dollars that should more properly be contained in the 1966 budget?

The timing of this request is an amazing example of the President's excellent public relations abilities. This supplemental is languishing in limbo, coming when it did, the day after the budget was submitted, the full amount does not appear in the estimated expenditures for fiscal 1965 although new obligational authority will be charged to fiscal 1965 nor will it appear entirely in the fiscal 1966 expenditure estimates, although a large portion of it will certainly be used in fiscal 1966.

Mr. Chairman, the minority does not like to criticize. But neither does it like to have its sensibilities abused time after time after time. We realize that the budget is a vastly complicated document. We would like to support the President in the conduct of necessary public business. But it is not incumbent upon us to sit by while figures are manipulated and maneuvered to show superficially that the fiscal 1966 budget is an economy budget.

The President, we are told, labored mightily to keep the 1966 expenditure budget under \$100 billion. He submitted a budget in which he estimates expenditures of \$99.7 billion, \$300 million less than the so-called magic figure of \$100 billion but at the same time asks for new spending authority in 1966 totaling \$106 billion.

Can anyone in this Chamber doubt that at least half of these funds requested today will be expended in 1966? If anyone can, I would call his attention to the hearings before the Agricultural Appropriations Committee last week. In those hearings it was stated that there would be a working balance of \$947 million available to the CCC if the full supplemental of \$1.7 billion were appropriated.

With the expectation of almost a billion dollars left over, can anyone really believe that the CCC will go bankrupt or out of business if the full supplemental is not appropriated?

Mr. Chairman, it certainly seems that the administration fixed an overall budget ceiling of less than \$100 billion. Then, as in last year's budget, certain figures were manipulated. Apparently, when all else failed, it became apparent that the CCC all of a sudden would need a supplemental large enough to leave a working balance of \$947 million for operations in fiscal 1966.

Mr. Chairman, that \$947 million was just about the same amount by which the Department of Agriculture underestimated its needs for fiscal 1965 and, we will all recall, the fiscal 1965 budget miraculously was below President Kennedy's request for fiscal 1964.

Is it not time, Mr. Chairman, for the Congress to reassert its prerogatives and insist that the Executive call a halt to its transparent toying with our patience and our sensibilities?

Mr. ASHLEY. Mr. Chairman, the proposed motion to recommit this bill with instructions to exclude Egypt as a beneficiary of our Public Law 480 program poses a difficult problem.

The official attitude of Egypt toward the United States has been little short of insulting. The public statements of Nasser have deliberately sought to deride the United States and to belittle the friendship and assistance which we have offered. It is entirely understandable and natural for Americans to be frustrated and angered by these gratuitous attacks and to resent a further outpouring of U.S. aid in the face of these insults.

We must ask ourselves under these circumstances whether continued Public Law 480 assistance to Egypt is justified but this decision, I submit, Mr. Chairman, is essentially one for the President to make. Not only is he charged under the Constitution with the responsibility for the conduct of foreign affairs but he has available to him, through the State Department, the Central Intelligence Agency and other sources, vastly greater and more accurate information upon which to base a decision than does this body which now seeks to supply an answer without benefit of hearings of any kind.

It may well be that the aid policy of our country should reflect the hostile attitude of Egypt and other nations which have been recipients of American largess but I think it is a great mistake for the Congress to destroy the very flexibility which the President must have at his command if he is to be effective in conducting our Nation's foreign affairs. This is a dangerous area in which we trespass, Mr. Chairman, because we are taking it upon ourselves, without so much as even consulting the one man who is charged under the Constitution with the conduct of American foreign policy, to take away prerogatives which properly should be exercised by others. Unless we act wisely now, the result will almost certainly be widely construed as a lack of faith in President Johnson and his ability to represent the best interests of the United States in our relations with other countries. Such failure to act rationally and responsibly could be unfortunate and even tragic in its conse-

quences. For these reasons, Mr. Chairman, I will oppose the motion to recommend.

Mr. FOGARTY. Mr. Chairman, the size of this deficit in the operations of the Commodity Credit Corporation is shocking, but not altogether surprising to many of us who have voted against farm programs we knew could not work—and indeed have not worked.

We have voted more than \$1¾ billion here today to make up deficits in Agriculture Department operations that we know are unwise. I hope this vote today may serve as a major warning to my colleagues, when, inevitably, other farm bills will come before this Chamber.

I can think of much better uses for this vast amount of money than paying it out for unworkable farm programs that do not solve anything.

If we really are concerned about some of the problems outlined by the President of the United States, we will consider more carefully than ever before we again vote for farm programs that roll up a deficit of \$1¾ billion in 1 year.

The CHAIRMAN. All time has expired. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1965, namely:

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Reimbursement for Net Realized Losses

For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,100,000,000.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 2, line 3, strike the period at the end of the sentence and insert the following:

"*Provided*, That no part of this appropriation shall be used to formulate or carry out any price support program providing further payments during the fiscal year 1965 to any person, partnership, firm, joint stock company, corporation, association, trust, estate, individual, or other legal entity, pursuant to the provisions of section 348 of the Agricultural Adjustment Act of 1938, as amended."

Mr. WHITTEN. Mr. Chairman, I reserve the point of order.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] reserves the point of order.

The Chair recognizes the gentleman from Illinois [Mr. FINDLEY] for 5 minutes.

Mr. FINDLEY. Mr. Chairman, the effect of this amendment will be to reach up and turn off the faucet through which flow the millions of dollars to the textile mills under this direct-payment program.

As I pointed out a few minutes ago these textile firms received \$86 million in direct payments under the transitional, interim program last summer. Since

then they have received an estimated \$227 million in additional money, making a grand total already received in excess of \$313 million. Presumably they are entitled to an additional \$227 million for the balance of the crop year, assuming they have lived up to their responsibilities of this program, which they have not.

Their responsibility was to reduce the price of their products so that a greater demand and greater usage of cotton would result. The increased usage of cotton since this program went into effect has been simply the normal increase which would have occurred anyway. Where is the 1.5-million-bale increase which the industry freely predicted would result if they got these payments which, in turn, would enable them to reduce prices?

My amendment would shut off this golden flow to the textile mills.

Mr. WHITTEN. Mr. Chairman, could I be heard at this time on the point of order?

The CHAIRMAN. The Chair shall be glad to hear the gentleman from Mississippi on the point of order.

Mr. WHITTEN. Mr. Chairman, I wish to say at the outset that I have sent for the Corporation Control Act. I am sorry I do not have it at my fingertips.

Mr. Chairman, the Commodity Credit Corporation is a corporation, as I said earlier, and as a corporation it is given certain authorities in its charter. As a corporation it has all the acts, rights, and duties of a corporation, with certain exceptions.

Under the Corporation Control Act of some years ago—and I am speaking from recollection, and as I explained to the Chair I will have the act before me in a minute—we provided that the Congress could supervise the operations of these corporations, but that Congress could not prevent the Corporation from discharging the functions as provided in that charter except by amending the Charter Act, which of course would require legislation—and such would be subject to a point of order here.

Now, Mr. Chairman, if perchance this amendment were to be held in order—and I trust that it will not—it would provide that this particular fund should not be, but this Corporation in turn can use the payments that it receives from the sale of commodities and those funds would be available for this purpose. There is no separation within the Corporation of its funds.

While in the Appropriation Act that we have before you we have described three different activities of the Corporation as indications of where losses occurred and we have provided that those funds are justified because of these losses. But as a corporation, once these funds are made available to the Corporation by restoration of its borrowing authority, they are then pooled and they are pooled in the Corporation's borrowing authority for all the purposes of that Corporation.

Mr. Chairman, I respectfully insist that, first, the only authority remaining to the Congress is to supervise this Corporation in its operation as provided by

law. It says specifically that it shall not be used to prevent the Corporation from discharging its responsibilities with all the authority that a corporation enjoys.

Second, that the funds or the borrowing authority of that Corporation, once it is received, is there for all purposes.

Mr. Chairman, if this amendment were permitted it would require a division of those funds within the Corporation and would require additional duties on its officers. Let me explain why this would be so. These funds will go there, but in addition to these funds the Corporation will have funds from the sale of commodities. It would require additional work on the part of the officers to separate the funds received from the sale of commodities from funds that might be made available here.

Mr. Chairman, I respectfully submit that in the long line of decisions that where what purports to be a limitation, if it imposes additional duties upon the officers or the agents of the Government dealing with it it has been held not to be a limitation and, therefore, subject to a point of order.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FINDLEY. Mr. Chairman, first of all the gentleman from Mississippi knows very well that the Commodity Credit Corporation is a creature of the Congress, a child of the Congress; therefore the parent can control the rules which govern the child. I further direct the attention of the gentleman to the bottom of page 5 of the hearings in which the gentleman from Mississippi said, "Some of the laws require the Department of Agriculture to support the price of certain commodities and it is a violation of the law not to support them. We have other laws that say if they do support them and the Corporation does not have the money they are in violation of the law."

He pointed out the conflict here in the present law, and it is up to us today as the parents of the Commodity Credit Corporation to resolve the conflict.

The effect of my amendment is a retrenchment, and it is within the Holman rule. It is a limitation and I believe it is in proper order.

The CHAIRMAN (Mr. HARRIS). The Chair is ready to rule.

The joint resolution before the Committee at this time is a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965.

The gentleman from Illinois [Mr. FINDLEY] has offered an amendment which provides that no part of the appropriation shall be used to formulate or carry out any price support program, provide for further payments, and so forth.

The Chair has considered the arguments of the gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Illinois [Mr. FINDLEY]. Apparently there is no question raised as to the germaneness of the amendment.

The amendment being germane to the bill before the Committee, the question is whether or not it is a limitation.

The Chair feels that the proposed amendment is a limitation in that it applies only to the appropriation before the Committee at this time. The Chair therefore overrules the point of order.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from Illinois should make his argument when the bill is on the floor to renew the cotton program instead of advancing it as a limitation on this supplemental appropriation bill. He has some figures which have been quoted here, and they can be contradicted. The entire premise upon which his argument is based can be contradicted in that the mills that have received this money never asked for a subsidy. They do not want it now, and they did not want it originally. All they asked was to have equality in the marketplaces of the United States with foreign competitors who were permitted to buy American-grown cotton at \$42.50 a bale cheaper than they had to pay for it themselves.

We went through that argument last year when the bill was enacted. The law comes up for renewal this year.

With all due respect to my friend from Illinois, that will be the time and the place for him to make his argument against the renewal of this act.

The Commodity Credit Corporation is, as he has said, a creature of the Congress, and I suppose we can hamstring its operations and could change the rules in the middle of the game, but I do not think that is quite fair. I think the rules ought to be announced at the beginning of the game instead of between innings. So long as the bill is on the books which requires the Department of Agriculture to take certain actions which the gentleman would now limit I think it would be a mistake for us to tell the Department that it shall not enforce the law which Congress passed after full and complete debate.

Mr. FINDLEY. I will certainly advance it at a later date if the opportunity arises, but \$200 million of the taxpayers' money is involved here. Further, if the gentleman is correct, in that the textile mills really do not want the subsidy, here is an opportunity to accommodate them by adopting this amendment.

Mr. JONAS. The answer to that is that there is no way for them to get away from the two-price cotton system except the way the Congress made available to them. If the gentleman can come up with any other vehicle which can be used to eliminate the unfairness in the two-price cotton system, I am confident, while I do not speak for any mill or the textile industry as a whole, that the industry would welcome such a solution. The textile industry does not desire nor has it ever sought a subsidy.

Mr. FINDLEY. Is the gentleman suggesting that the textile mills have actually reduced the price of cotton to the consumer?

Mr. JONAS. As the gentleman knows, I do not own any stock in any cotton mill and am not connected with the

management of any mill. I do not know whether or not they have. But I will say this: I have heard it on sound authority that they have had to pass on all of the funds they have received under this program to their converters, processors, and the people who make the goods up for the ultimate consumer. So I ask that this amendment be rejected.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to align myself with the gentleman from North Carolina [Mr. JONAS]. I trust, the Members of this body will vote down this amendment.

In addition to the point that has been made, whether or not the act is sound, the best interest of this country is served by not reneging on the law. The effect would be to deny a commitment of the United States. It would set aside an obligation which the Government has undertaken, against the wishes of the gentleman who proposed the amendment. I am sure the Members of this body would not want to be a party to reneging on a law which has been passed by this Congress. When this basic act comes back before the Congress, the gentleman may offer his amendment. He may win or lose, as he lost last time. No one wants to be a party at this late stage to saying that the law should not be carried out.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman from Illinois, of course, opposed the cotton bill. He did not vote for it in the first place. This is an effort to kill it by negating the law, as the gentleman from North Carolina [Mr. JONAS] said, in the middle of the game. Congress will have to take action later on, because the law expires the middle of this year. But the action brought about by the adoption of this amendment which changes the cotton law basically would have a very damaging effect, and I do not think it should be adopted.

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was not going to get into this argument today, but since there has been talk about the fairness of the cotton subsidy, I say that we ought to point out how unfair some of our agricultural laws are. In order that there will not be two prices on cotton, the Federal Government pays a subsidy to the mills so that they can buy cotton for their domestic use, raw cotton, at the same price that the exporter pays for cotton which is sent to foreign mills. Now let us take another commodity that was in the same bill, wheat. With wheat the loan level is now down to the world market price, but we are charging the wheat millers this coming year 75 cents a bushel to make sure that they do have a two-price program. Where flour mills have foreign competition as they do especially along our Canadian border, the flour millers in this country have to pay 75 cents a bushel more than the export price of wheat.

So we see unfairness all through our agricultural laws. I rise today to point

out that we have three commodities in which we use direct payments—feed grains, wheat, and cotton—and we use a different kind of direct payment under each one. With cotton the mills receive a subsidy from the U.S. Treasury to bring their cost of raw cotton down to world level. With wheat the mills pay a tax to the U.S. Treasury to bring their cost way above the world level. With feed grains the farmers receive a subsidy from the U.S. Treasury the way a program ought to operate if direct payments are to be used.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. FINDLEY. There have been several references to breaking contractual obligations on the part of the Federal Government. This, of course, would be unthinkable unless a balancing breach of agreement was involved. The textile industry gave us clear assurances during the consideration of this proposal that this program would result in lower prices of cotton products—and this has not occurred.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 45, noes 105.

So the amendment was rejected.

The Clerk read as follows:

PUBLIC LAW 480

For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$250,000,000; and (2) long-term supply contracts pursuant to title IV of said Act, \$200,000,000.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 2, line 13, strike the period at the end of the sentence and insert the following:

"Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, last Thursday I introduced a joint resolution which would, in effect, do what I seek to do by way of this amendment as a limitation on this appropriation request.

The disclosures on Tuesday, January 12, by an Egyptian secret police official who asked for asylum in Iran provided us with proof that Colonel Nasser has been diverting American aid funds in order to pay for his interference in the affairs of other independent states.

This new evidence, as well as the events of the past 3 months, should be enough to convince everyone that some changes must be made in the distribution of our agricultural surpluses, as well as our foreign economic aid.

Nasser's record of interference in the affairs of other countries in the past has been extensively documented many times. Under a variety of pretexts, our aid has nevertheless continued. The events of the past 3 months, however, provide us with an almost uninterrupted array of provocations, insults, and illegal actions.

To enumerate them:

On November 26, 1964, the John F. Kennedy Memorial Library in Cairo was sacked and burned by mobs the Government of the United Arab Republic was unwilling or unable to control.

On December 19, 1964, the Russian-built planes of Colonel Nasser's air force shot down an unarmed commercial plane belonging to the John Mecom Oil Co. of Texas.

On December 23, 1964, in a long speech at Port Said, Colonel Nasser not only insulted the United States by telling us to "jump in the lake" in Egyptian dialect, but also admitted that he was supplying arms to the Congolese rebels.

We suspected before, and know now, how he is able to do this by diverting resources from important agricultural development projects to the purchase of military equipment and supplies. Nasser is able to accomplish a diversion because we supply him with \$140 million worth of surplus wheat, beef, and poultry every year under the Public Law 480 food-for-peace program. The proceeds from the sale of these surplus foodstuffs is then loaned or granted to the government, which in this case uses them for its own interventionist foreign policy.

Until 18 months ago we had also granted or loaned Nasser nearly \$900 million in economic and other aid programs.

Under the terms of the 1963 Foreign Assistance Act, the President was directed by Congress to withhold all foreign economic aid, as well as food-for-peace aid, from any nation committing aggressive acts against any other country receiving our aid. I believe we have here a clear-cut violation of that act. Nasser has admitted publicly that he is supplying arms to the Congolese rebels, whose avowed intent is to overthrow the central government. Our Government both recognizes and supports that central government. I believe it is time for Congress to act.

If we do not wish to see the dignity of the laws of the United States flouted by every petty national leader who wishes to enhance his position, we must act. We can do so today by adopting the pending amendment.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Vermont.

Mr. STAFFORD. I wish to compliment the gentleman from Illinois for his amendment and for the statement he has made.

Recently I had occasion to be in the U.A.R. for a short time. The trip was not extensive, but it was off the beaten track. It was my very strong impression that the citizens of that country, except for those in the seaport where some of our aid comes in, have no idea that the

wheat being distributed there comes from the United States. They believe Mr. Nasser raises it himself.

Mr. MICHEL. I thank the gentleman for his contribution.

I wish to point out also that the total amount of agricultural commodities in the public law 480 agreement signed October 1962 was \$431.8 million of export value. Apropos of what we are doing today in reimbursing the Commodity Credit Corporation for net realized losses on the books of the Commodity Credit Corporation, this so-called \$431.8 million is in reality a \$583.8 million sale so far as the Commodity Credit Corporation is concerned. We still have left to be shipped to the United Arab Republic before the end of the fiscal year, roughly \$37 million worth of agricultural surplus commodities.

Adopting this amendment would foreclose the further shipment of the balance on that agreement. I think it is very clear what our task is and what we ought to be doing here. We can do it very easily by adopting this amendment here this afternoon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FARBSTAIN. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. FARBSTAIN. Mr. Chairman, I suppose that my position is fairly clear in this situation. On several occasions I have spoken in favor of a similar amendment. I do not think that the situation has changed any. Unfortunately I did not hear the words of the author of the amendment, but let me say that there is every reason in the world to deny any further assistance to Mr. Nasser. He uses our assistance for the purpose of building up the arms industry in the Soviet Union. He has done everything within his power to flaunt the wishes of this Nation. Of course, you all know some of the heinous things he has done only recently, and this despite the fact that only a short time ago a similar resolution was defeated by 3 votes. You would think he would give pause to some of his acts as a result of the closeness of the last vote, but he disregarded that vote altogether. He seems to feel that our wishes and interests are of no concern to him; that he has the right willy-nilly to do as he pleases, that is, to tell us to jump into the sea, to destroy civilian airplanes owned by American concerns, to burn our libraries, and to make trouble throughout the entire continent of Asia and also the entire continent of Africa. Incidentally, it was he, together with Algeria, who is presently sending war materiel and men to the Congo against the interests of this Nation.

I do not think there is any question at all but what additional aid should be denied to Mr. Nasser. I think it is high time that he was brought to book and was made to understand that we are not to be trifled with, which is what he is doing. He tells us to jump into the lake when we suggest to him that he should discontinue these acts with which he has

been charged and of which we know he is guilty.

So, gentlemen, I implore you for the purpose of holding up the flag of this Nation, and ask that we stand not alone on our rights but on our dignity by passing this amendment.

I personally feel that the Nation generally, as a result of reading the various editorials and news items which have been published throughout the entire Nation—I feel that the people of this Nation are behind cutting off any further aid to Mr. Nasser. I firmly believe that we will be doing a disservice to the interests of this Nation if we permit ourselves to continue assisting this man.

Mr. Chairman, I yield back the balance of my time.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. FINDLEY. Mr. Chairman, the thought may come to some Members that this is an unreasonable and unwise restriction on the freedom of action of the President of the United States in conducting our foreign policy. Before you reach any conclusions on it I would like to have you clearly understand the limitations of this restriction. I might add it is limited strictly to the balance of the current fiscal year. It does not restrict the use of any dollars which might even be held over at the end of the fiscal year to the next fiscal year. It does restrict the use of money presently in CCC. It ties his hands in a limited way only for this 5-month period, and I am sure most of us would agree that Mr. Nasser deserves some public reprimand and rebuke from this side of the ocean for the acts he has committed and the remarks he is making.

A recitation was made just a few minutes ago of the events under which an American plane was shot down, resulting in two deaths, and the disclosure by Nasser that he had been aiding the Congolese rebels.

Within 7 days after these events became public, believe it or not, the U.S. Department of Agriculture announced plans to ship \$19 million worth of wheat to Nasser, the very same man who had, in Egyptian slang, told us to take our foreign aid and go to hell. The shipment of wheat was deplorable and the timing was even more deplorable.

Mr. Chairman, I urge support of this amendment.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, as I read this amendment it says that the limitation shall be applicable only to the financing of exports to the United Arab Republic under provisions of title I of such act for the remainder of the fiscal year 1965.

Mr. FINDLEY. That is correct.

Mr. GERALD R. FORD. If there is any other capital available in the Commodity Credit Corporation that is free may that capital be used for this purpose?

Mr. FINDLEY. This could not possibly restrict the use of other capital, in my opinion.

Mr. GERALD R. FORD. The limitation is only applicable to the \$1.6 billion that we are making available here.

Mr. FINDLEY. Yes, to the \$200 million portion of it; as a matter of fact, that portion set aside for use under titles I and IV of Public Law 480.

Mr. GERALD R. FORD. It is limited to \$200 million of the \$1.6 billion and only for the remainder of the fiscal year 1965?

Mr. FINDLEY. That is correct.

Mr. RYAN. Mr. Chairman, I rise in support of the amendment.

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, the amendment now pending before the Committee is similar in nature to an amendment which I had sent to the desk, which would have the purpose of preventing the use of funds appropriated under the resolution before the Committee for the sale of agricultural commodities to the United Arab Republic.

The history of the activity on the part of the United Arab Republic, particularly since the House considered this matter last summer, makes it imperative that we move at this time to express the clear sense of the House and of the Congress that Public Law 480 shipments shall cease to this nation which deliberately pursues a policy of aggression in the Near East and in Africa.

It is perfectly clear that even after the warning which the House gave last summer Nasser has continued to foment strife and agitation in the Middle East. He has continued to make clear his determination to destroy the democracy of Israel. He has established the United Arab Command for the purpose of military encirclement of Israel. He has worked with other Arab countries toward the diversion of the headwaters of the Jordan River. He has imported German scientists to build rockets aimed at the heartland of Israel. In addition, he has been meddling in the affairs of the Congo.

Mr. Chairman, Nasser has made perfectly clear his contempt for the foreign policy objectives of the United States and his contempt of the United States itself. Witness the burning of the USIA library in Cairo. Witness other acts of aggression and terror. His speeches have reflected his contempt for the United States. Recently he accused the U.S. Ambassador of using economic pressure and told the Egyptian people that anyone disagreeing with his anti-U.S. attitude "can drink from the sea."

Mr. Chairman, I have repeatedly on the floor of the House and in communications to the Secretary of State and to the President pointed out that Nasser is preparing for aggression against the democracy of Israel and that the economic assistance he receives under our foreign aid programs permits him to allocate his resources to the ever-spiraling arms race in which he is engaged.

The United Arab Republic is still in violation of the aggressor nation clause

which Congress wrote into the Foreign Assistance Act of 1963. It provides that foreign aid be terminated to any nation which "is engaging in or preparing for aggressive military efforts directed against any country receiving assistance under this act or any other act." The intent then was to deny aid to Egypt as long as her aggressive policy continued. The clause has never been implemented.

The United Arab Republic is also in violation of Public Law 480 as it was finally amended in the conference report last September. At that time Congress provided that no sales shall be made with any country if the President finds such country is "an aggressor in a military sense against any country having diplomatic relations with the United States." The legislative history clearly shows that this provision was directed at the United Arab Republic.

Today we have the opportunity to implement the express policy of the Foreign Aid Act and the policy of the Congress as enunciated last September when we adopted the extension of Public Law 480. Let us make it clear here and now that any funds appropriated under this supplemental, which is all we have jurisdiction over today, shall not be used to continue the sale of agricultural commodities to the United Arab Republic. The United States must not underwrite Egypt's arms buildup.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. POAGE asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I think most of us recognize that the United Arab Republic has been carrying on practices with which we cannot agree and which we feel should be stopped. Mr. Nasser has been inexcusably arrogant and insulting.

Mr. Chairman, many Members feel that we should stop all aid to the United Arab Republic. I have to confess that I find myself in general agreement with those views. I think it is a mistake to feed the mouth that bites us. But for us to adopt a policy of trying to pass upon the most fundamental type of foreign assistance issues without any committee hearings, without any previous notice—simply legislating as it were by hysteria—seems to me would be engaging in the very worst sort of legislative practices, the very kind of practices of which Mr. Nasser is so often guilty.

Mr. Chairman, I would hate for this country to put itself on the same level as the arrogant gentleman on the Nile. However, this proposed amendment is but one of a series of amendments—you just voted down the first—which the minority is attempting to pass this afternoon by hysteria. I cannot believe that it is at all sound to pass on fundamental issues whether foreign or domestic as amendments to an appropriations bill. Here you are really trying to amend existing law without holding any hearings or listening to any argument. Maybe the objective is good—I am inclined to think that it is good, but I do not believe that it is good practice to condemn without evidence.

Mr. Chairman, the Members of this Committee just voted down the proposal to repeal the cotton law, because that is exactly what the last amendment proposed. Now we have another amendment seeking to change existing law through a so-called "limitation" upon the appropriation bill. This pending amendment will not only change existing law, but it will also change our foreign policy as well. I am inclined to think our foreign policy should be changed. I would like to clip the wings of this hawk of the Middle East, but I know that that kind of thing ought to go through the regular processes.

Years ago we had a great Governor of my State, called "the Old Alcalde" who said "If Texas is going to go to hell, I am going to see that she does it according to law." If we are going to show our displeasure at Mr. Nasser—and I am ready to do so—let us do it according to the spirit of the rules of legislative procedure.

Mr. Chairman, the House Committee on Agriculture is not unmindful of the problems here involved. The Subcommittee on Foreign Agriculture has already made arrangements, some 10 days ago, to hear the Secretary of State tomorrow morning. This was done long before we knew that this bill was coming up today and long before anyone else knew it was coming up today. We did it because we felt that it was desirable to stop aid where we felt it was probably being misused, but we felt that common decency require that we give the State Department a chance to be heard before we condemned them.

Mr. Chairman, I point this out in an effort to show the Members of the Committee that there has been no delay on the part of the House Committee on Agriculture. We have scheduled a meeting with the Secretary of State for tomorrow morning to discuss this very issue, because we feel as many of you feel that there is a serious question of giving aid to those who do not show any respect for the United States. We do feel that there is a serious question as to the continued grant of aid to the United Arab Republic, but we believe that it is also a right serious question as to how we should handle these things. I think that they should be handled through legislative committee, with hearings and conferences with the executive officials, rather than by simply amending an appropriation bill without any possible understanding of the factors involved except as we have heard them from what we have read in the papers. I am not defending Mr. Nasser. I am not suggesting that we should continue to aid him, but I am pleading with you to cherish and protect our own legislative processes. The intelligent processes of democratic legislation are far more vital to the United States than the opportunity to express our identification with a popular cause.

Mr. Chairman, I do not know what the witnesses are going to say and I do not know if they are going to change our attitude in regard to this matter. We may come back here asking for legislation asking for exactly the same results desired by the advocates of this amend-

ment, but if we do we will come back here with a preannounced time for a discussion of the problem, for a consideration of both sides, for a real look at what can be done.

If after hearings the legislative asks you to stop aid to the United Arab Republic we will try and deal with the problem—not simply put it off 5½ months as this amendment does. The author of the amendment says himself that it will be effective only through June. Actually, it will not be effective that long. The existing Public Law 480 agreement runs until next June. This amendment touches nothing but the existing agreement. It does not stop entering into a new agreement, it does not prevent the Commodity Credit Corporation from selling corn or wheat or cotton and using those proceeds to finance the exportation of these commodities between now and June. It relates only to moneys appropriated today. The wheat we are shipping was brought with other money. This amendment does not actually do the things that its authors allege they want done and that many of us want done. It does not prohibit the fulfillment of these agreements.

It simply says you cannot use this new money that is being appropriated. We are not using this new money to buy this wheat which is being shipped. We already have it bought. It can still be delivered. But if you will handle this thing in the regular, legitimate way, then the whole question of whether we should provide wheat to those who insult the United States can be considered. But you cannot consider it under circumstances such as these, and I hope you will turn down the amendment.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I trust this amendment will be rejected, and I hope it will be rejected by a sizable vote.

I say that for a variety of reasons. The first is, as the gentleman from Texas pointed out a moment ago, the legislation before us today is basically an additional authorization for the Commodity Credit Corporation. For us to use this as a vehicle for attempting to write the foreign policy of the United States would, in my judgment, be a very serious mistake.

The gentleman from Pennsylvania, the distinguished chairman of the Committee on Foreign Affairs, has announced that he will begin hearings next week on the foreign aid authorization bill. The President of the United States sent up a foreign aid message over a week ago which I believe is the earliest this message has come up in recent times. So we are prepared to go to work on these problems in an orderly fashion.

There is no doubt about the fact that our people, and with great justification, have feelings of anger against Nasser and against other people on this earth.

But the great late President, John Kennedy, told me something I try to remember on occasions. That was, and the quote is almost verbatim, "Never do something simply because you are angry."

We are angry against Nasser.

But let us take a look at what we are really doing here if we adopt this amendment. The gentleman from Illinois, author of the amendment, was quite frank here a moment ago when he said that the point might be made that this amendment would tie the hands of the President of the United States in a question involving the foreign affairs of the United States. He said, however, that after all, it will only tie his hands for 5 months, not for 5 years or 10 years—just 5 months.

I submit, Mr. Chairman, that without hearings, without consideration of the issues involved, and in a spirit mainly motivated by frustration and anger, for us to tie the hands of the President of the United States, who is charged with the foreign policy of the United States, for 5 months or 5 minutes is a mistake.

Let us look at the record. Back in 1956, I think it was—I could be wrong—some of my foreign policy experts here will correct me if I am—there was a crisis in the Middle East. Nasser had virtually seized the Suez Canal. He was continuing his aggressive activities against his neighbor, Israel, a country which I have visited and which I greatly admire. At that time Anthony Eden, Prime Minister of Great Britain, ordered an invasion of Egypt. General Eisenhower was the President of the United States. He demanded the withdrawal of the British and other forces. This was done. The Democratic Members of this body said, and rightly so, that President Eisenhower was the Commander in Chief and was charged with conducting the foreign policy of the United States. We did not try to dictate a contrary policy, although some of us may have disagreed.

I am not prepared to say that the President is right or wrong on this issue, but I am prepared to say that he as the President is the President of all the people, and he is entitled to at least the same consideration which was accorded by a majority of Congress back in those years, a Democratic Congress, to President Eisenhower.

For us to do what the gentleman from Illinois by his own admission says it will do, tie the hands of the President of the United States for 5 months, at a time such as this, would be, in my judgment, a very serious mistake. So I hope, Mr. Chairman, that this amendment will be rejected.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe the amendment needs some clarification. Based on the debate so far, one might get the impression that by taking this action we were withdrawing from the President the right and the authority to make any grant or loan or give any assistance through the Commodity Credit Corporation. The facts are that this amendment is applicable only to title I, which relates to sales to a country for its local currency. This amendment does not limit, it does not restrict any action taken by the President under titles II and III of Public Law 480. In other words, if by any chance there was any reason

whatsoever on the part of the President and in the foreign policy interest of the Government, he would have authority under this amendment for the remainder of fiscal year 1965 to make grants under titles II and III. So, in conclusion, I simply say that this amendment, as limited as it is, in my opinion is a proper step to give to the United Arab Republic and to Mr. Nasser a kind of warning which should be heeded if they are to be the beneficiaries of our help and assistance in the future.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am disappointed that on the first important matter to come before the House in this session the distinguished minority leader has seen fit to take a course which is at variance, as I see it, with the historic bipartisan foreign policy of the United States, initiated by one of the great men in the history of his State, the late Senator Vandenberg.

Mr. Speaker, the issue here is not whether this amendment would limit the use of funds under one title or another of Public Law 480 and appropriations implementing that law. The issue here is not whether you like or do not like Nasser, and I agree with those who have said that Nasser has done things that are certainly not to our liking. The issue here is whether a matter of major foreign policy should be determined by legislative action on an appropriation bill without the advice, the information, and the help of the President of the United States and his Secretary of State, who are charged under the Constitution of the United States with the responsibility of speaking for this country in matters of foreign policy.

This is a major policy matter. This bill could have major repercussions.

This is a dangerous amendment. What a victory it would be for Communist diplomacy for the House of Representatives to take this kind of action and undo our patient—and I emphasize the word "patient"—diplomacy in these critical areas of the world.

No one and no country likes to be treated with disrespect. This is aimed not just at Nasser, but it is aimed at anybody who might succeed Nasser in the United Arab Republic.

But Americans know that patience is the price of greatness. The gentleman from Louisiana, the distinguished Democratic whip, referred to the Suez Canal incident of a few years ago where we learned a lesson, a lesson which should be particularly close to our friends on the other side of the aisle. That lesson is that returning insult for insult is not the way to get ahead diplomatically. It took us 10 years to recover from the Suez crisis. It would take us years to recover from the crisis which could result from this kind of action.

The Secretary of State spoke to me just a few minutes ago and said that tomorrow he was appearing before a subcommittee of the Committee on Agriculture with reference to this very subject. In due time and after due consideration, this problem will be treated by responsible committees of the House with the advice

and the help of the spokesmen for the President, who is the spokesman for this country in matters of foreign policy.

This is the intelligent way to handle this matter. This is the way matters of this kind were handled by the Democratic leadership of the House during the administration of President Eisenhower. Should we not give to President Johnson the same cooperation we gave President Eisenhower only a few years ago? As for me, I place my confidence in President Johnson. He is the President of all the people, and his hands should not be tied as he undertakes to fulfill his enormous responsibilities in this difficult age.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, I had not intended to get into this debate on this amendment. But I should like to repeat some of the things I said yesterday and to try to clarify one thing that we hear so often on this floor and that the distinguished majority leader has just repeated; namely, that under the Constitution the President of the United States has the sole power—the sole power in our foreign affairs.

I challenge you to find anything in the Constitution of the United States that says the President of the United States has sole power in foreign affairs.

The only reference made in the Constitution to the question of foreign affairs is that he may make treaties with the advice and consent of the Senate, which, of course, is a branch of the Congress.

Now let us get away from this. Let us get down to the facts on this question that we hear so many times on this floor—whether it is President Eisenhower, President Kennedy, or President Johnson. It is not a fact and the Constitution does not grant any such power to the President that he shall have the sole power.

But what other power is mentioned in the Constitution?

The Constitution says that no funds shall be spent unless appropriated by the Congress of the United States. If Members will read the constitutional debates and the Federalist Papers, to see what the Founding Fathers had to say with regard to foreign affairs, they will find reference to the fact that one of the checks on the President in regard to foreign affairs was placing this responsibility in the Congress.

My purpose in rising, Mr. Chairman, is not particularly to debate this question on this amendment, but to try to make it crystal clear that the Constitution specifically gives us the power of the limitation on the use of funds, how funds shall be appropriated and how they shall be spent. We are acting constitutionally on this amendment in making the determination whether it shall be done or not. There is no constitutional language which says that the sole power of foreign affairs is vested in the President of the United States. I say it is a joint responsibility, and we have as much responsibility under the power

given to us in the Constitution with regard to expenditure of funds, even though those funds are spent across the seas.

I am not speaking partisanly. This is bipartisan, for the Congress. We have as much right, and even more, under the Constitution, as does the President of the United States, on the question of how the American taxpayers' dollars are to be spent in this country or abroad, or whatever it may be. We are acting responsibly when we act upon an amendment of this kind.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am delighted to yield to the gentleman from Michigan.

Mr. HUTCHINSON. The gentleman would agree that the Constitution of the United States specifically vests in the Congress the power to regulate commerce with foreign nations.

Mr. BOW. That is correct.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with great reluctance that I rise to speak, but it does seem to me that support of a bipartisan foreign policy does not necessarily mean support of an unwise foreign policy. Nor does it mean that following the lead of a Democratic administration, a Democrat must follow it blindly. Nor does it mean that I do not have a heavy heart when the first thing I do in my new assignment as a member of the Committee on Foreign Affairs is to take a position opposite that of the distinguished and lovable chairman of that committee. Nor does it mean the fact that an amendment is sponsored by a member of the opposite party means it has no merit, per se.

Mr. Chairman, it is unfortunate that we are dealing with one nation, but we cannot escape from the fact that this one nation has told the United States of America through its "duly elected" head of state that this Nation should jump in the ocean. They have indicated, in words or in substance, time and time again, that they could not care less what we do.

We are presumably giving them food-for-peace. The argument can be made, and can be made well, that we are feeding hungry children. Surely there is no one in this Chamber who does not support that position. But, when those funds which they themselves would be using to feed their own children are used to buy guns, equipment and materiel from the Soviet Union, this results in a situation in which they are taking the funds we are giving them, and then we are a part of a conspiracy to destroy other democracies in the Middle East and to destroy the balance of power.

I do not worry about what might happen if Nasser should be removed and another man should take over in 6 months or a year from today. We can meet that situation when we come to it.

When a country has enunciated time and time again that the principles it stands for are repugnant to the principles of the United States of America and what we stand for, I have no hesitation in vot-

ing for an amendment to cut off aid at any time or at any place to such a country.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am in full accord with the purpose of my colleague from Illinois, however, I differ with his approach. If this matter were left to me, and I acted on what I believe, I would certainly stop all grants to Nasser's Egypt tomorrow. If I relied on what I now know and feel, I would stop sales of commodities to Nasser and Egypt. However, if the responsibility rested with me, I would first get the entire story and then act. Personally, I might say the same thing with regard to continuing our war in Vietnam as I have pointed out many times. I have the same feeling with respect to many other things. However, I do not feel I know all there is to know about them.

Let me point out several things here which I do know. This amendment would prohibit sales to Egypt but would fix no limit on gifts or grants of the same commodities to Egypt. This amendment would prohibit the use of the funds in this bill to sell commodities to Egypt but would leave intact the use of money which the Corporation now has on its books to the credit of Public Law 480, which perhaps it has used temporarily for other purposes. Further, this restriction on sales, while leaving the right for grants and gifts to Egypt of the same commodities, would be limited in time.

I truly believe this amendment will not do the job but will needlessly restrict the activities of a Government corporation on which we must depend for financing price supports and which has authority of a corporation to carry on the many operations which we have assigned to it.

While I am in accord with the desire and the attitude of my colleague, and my feelings are in accord with his, still the procedure here of starting to write restrictions on certain funds of a corporation which is so vital to so many activities is proceeding in the wrong way and, in my opinion, would not get the job done. To act here without hearings on press reports is not the way we have handled the other items and problems.

I wish this matter had been brought up in our committee hearings so that we could have fully developed the facts and given real attention as to how to handle the problem effectively, either by action if it could be reached in this bill or by recommendation to the appropriate committee or agency.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. MAHON. Mr. Chairman, I had hoped that the policy issue proposed by the pending amendment would not be raised on this bill today. Most Members of the House hold no brief for Abdul Gamil Nasser. Certainly I do not. He has conducted himself in such a way as to rightfully incur the displeasure and contempt of the American people. The problem of what must be our policy in north Africa is of importance but this

is not the proper time and place to make that decision. We do not have all the facts before us and the appropriate witnesses have not been heard.

I am not exactly sure as to how the members of this Committee will vote on the issue before us now. I am sure as to how I feel we should vote on this issue.

The continent of Africa is a major field of battle in the cold war. I do not want to abdicate the continent of Africa to the Soviet Union or to Red China. The adoption of this amendment would in my judgment be a move in that direction.

I know that there is conflict between the Arab countries and the country of Israel and I am convinced that the adoption of this amendment would be hurtful to Israel in the long run, indeed to all concerned.

My colleagues, just because Nasser said to the United States that we should go jump in the ocean is no reason why we should go jump in the ocean.

A paramount reason why there are so many men on our side of the aisle and so few on the other today is that this administration has provided broad-gaged leadership and the leadership of the minority has too often seemed to seek short time gains which would result in longtime losses. That is the issue here today, to grasp this thing which seems to be popular and to welsh on an agreement which we made in 1962. This is an agreement to provide certain commodities, for which we have no apparent need and which are costing us money to store, to the United Arab Republic.

I am not advocating the sale or gift of agricultural commodities to Egypt. My position is that we should not restrict the President in his handling of this delicate international matter. Moreover, I doubt that there could be any long-range gain to this country in welshing on a solemn international agreement.

The United States has deep rooted and well founded interests in the Middle East. That area is one of the major oil producing areas of the world. The Suez Canal is a vital link in the world trade routes upon which so much of our agriculture and industry depend.

The rulers in Moscow and Peiping would welcome further difficulties between this country and Egypt. They are deeply involved in exploiting the turmoil and confusion in Africa. Let us beware of taking any action that might help them achieve their ends.

We are about through with the Public Law 480 program in Egypt under the present agreement. It is about 90 percent or more over. It expires on June 30.

To emphasize the inadequacy of the pending amendment, I point out that although it prohibits sales to the United Arab Republic under title I of Public Law 480, it would not prohibit gifts or grants under titles II and III of that act. I am certainly not in favor of telling the President that he can give commodities to Nasser, but he cannot sell any.

Yes, we talked about the sale of wheat to Russia last year. Most of us voted to let that decision be made by the President. We voted not to restrict him. He

sold some wheat for cash. And what did the farm States do? They contributed along with the rest of the Nation to the overwhelming avalanche of votes in behalf of this administration. Broad-gaged leadership seems to be what the people want.

In just a few weeks, we will have before us the foreign aid authorization bill from the committee headed by the gentleman from Pennsylvania [Mr. MORGAN]. That is the time and place to fight the issue on what should be done in this matter.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. BOGGS. I appreciate the gentleman's yielding.

I might say to the gentleman that the President has been so anxious to inform all Members of this body of the problems that confront the Nation—not the Democratic Party but the Nation—that on the day after the inaugural ceremonies which were tiring, to say the least, on the President, he called at the White House a meeting of the leadership of both political parties where, with the help of Mr. McNamara and Mr. Rusk, he sought to brief all these gentlemen on these problems. I think the President is entitled to some confidence, certainly at the beginning of this administration.

Mr. MAHON. Unwise action on our part at this time would tend to force the United Arab Republic closer to the Soviet Union and Red China. It does seem to me that we should not appear to be abandoning a continent, as we tend to do in this amendment.

So I for one would prefer to let the House decide this issue during the debate on the foreign aid bill. I am not going to vote, and I know there are many Members who are not going to vote for something which may seem attractive on the surface but which is not in the best long-range interests of the United States. We have got to stand hitched. This is the time to stand up and vote for the long-range best interests of our country and that means, in my judgment, voting against the ill-conceived amendment that has been proposed to this bill.

Mr. HALPERN. Mr. Chairman, I move to strike the requisit number of words.

(Mr. HALPERN asked and was given permission to revise and extend his remarks.)

Mr. HALPERN. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I have repeatedly stood on the floor of this House and have cited indictment after indictment of violations of international law, morality, and human decency on the part of the Castro of the Nile, Colonel Nasser.

Mr. Chairman, it is not just his attitude toward Israel, as has been mentioned by the distinguished chairman of the committee, as the basic reason for this amendment here on this floor today. This is reprehensible enough. But of utmost significance is his flagrant and repugnant abuse of power which seriously

threatens the peace of the world. We cannot appease this tyrant any longer. He taunts, insults, and defies the United States; he consistently supports Soviet policies; he acclaims the leadership of Red China; he avows the annihilation of Israel; he subverts his fellow Arab States; he instigated barbarous warfare in the Yemen; he boasts about his arming of the Congo rebels—made possible, indirectly but ironically, by U.S. economic support. I could go on and on. But it should not be necessary to say anything more.

Mr. Chairman, this man has made a mockery of our aid program. It is high time that we stood up for principle, Mr. Chairman, and said once and for all that we will not stand for his double-crossing, for his mischief, for his gangster-like tactics.

Mr. Chairman, Nasser has had more than his chance to prove honorable intentions and he has failed miserably and decisively at every turn.

Mr. Chairman, I trust that we will have the guts here today to adopt this amendment.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I would like to make a comment concerning a statement made by the distinguished gentleman from Louisiana [Mr. Boggs]. It is true that the President at a meeting with myself and others on our side, the day after the inauguration, outlined some of the problems that he had in the area of foreign policy, including the pros and cons of our relations with Mr. Nasser. I concede that it is a very difficult position to be in, to know which course of action is the better one from the standpoint of our country's national interest. But I think the President would also agree that there is good, sound argument for taking a position such as the one that is being taken here today, although upon weighing it on the scales, in his judgment he might feel differently.

So, Mr. Chairman, although we on our side said to him that we would cooperate to the degree that we could, it was our feeling then, and I think now, that we ought to reserve for ourselves some independence of judgment when an issue such as this comes to the floor of the House.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I want to say in summary of my argument in support of my amendment, reading word for word from President Johnson's state of the Union message:

We are prepared to live as good neighbors with all, but we cannot be indifferent to acts designed to injure our interests, or our citizens, or our establishments abroad.

Mr. Chairman, I remind the Members of the Committee of those instances that I cited in my remarks.

The President further stated:

The community of nations requires mutual respect. We shall extend it—

Then, remember, how we all applauded him when he said—
and we shall expect it.

Mr. Chairman, today is the time for reckoning. You can do the right thing by supporting the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words. (Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I rise most reluctantly to speak in favor of this amendment, for in the 6 years that I have been in the Congress, I have always supported the President at all times on every foreign policy issues that have come up before the House.

However, Mr. Chairman, I feel so strongly about this amendment that I must support it and explain my reasons.

Mr. Chairman, it has been stated here this afternoon that this will be coming up before the Committee on Foreign Affairs. Mr. Chairman, this is Public Law 480. It will not come before the Committee on Foreign Affairs, but rather the Agriculture Committee.

I feel that Nasser has been thumbing his nose at the United States long enough. For instance, the association between Russia and Nasser that is as spine-chilling as it was to the English and French over the buildup of Mussolini and Hitler over a short generation ago, a time we would like to forget but its festering forces will not allow.

As a matter of fact, I am so disturbed over this alliance of Russia and Egypt that I question seriously whether this country should continue to lend economic aid to Egypt and other aggressive countries that are playing one country off against another. And if there is ever a tipoff as to the real sentiment of Egypt as regards the United States, we had it in the burning of the Kennedy Library in Cairo recently, while the police obviously looked on with amusement. I say that it is high time we called their bluff. Egypt depends on us for upwards of 40 percent of their food. I say we are now in a position to tell these aggressors that if they want food, let them stop threatening the peace of the world, or let them go to Russia which is presently having a hard enough time feeding their own people, the Chinese and the Cubans, to mention just a few hungry Iron Curtain countries.

But by the same token, there are other people and other countries who are not so bent on destroying their neighbors, not so flaunting and biting the hand that feeds them who could use our aid and help us promote love and peace in the world.

Mr. Chairman, as long as we provide 40 percent of the food consumed in Egypt under Public Law 480, we will allow this country to take the money which it would use for this food to buy armaments and allow the United Arab Republic to enter the atomic and rocket fields. Mr. Chairman, I will insert in the Record an article by Omer Anderson entitled, "Nasser's Rocket Program Well Advanced, Presents Real Threat to Israel by 1967."

My good chairman, for whom I have the highest regard and respect, says that Africa is the heart of the cold war between the East and West and that we cannot throw northern Africa to the Communists side. This is true. But by the same token, the United States is expending considerable effort and money in the Congo in an attempt to settle the problem and the unrest that exists there. And on the other hand, we find that Colonel Nasser continues to meddle in the Congo against the best interests of the United States.

It is my strong belief that the only way that we can control this man is to tie his hands by stopping our aid through Public Law 480. Certainly, someone will argue that the Soviet Union will step in and pick up where the United States left off. We all know the economic difficulties that the Soviet Union is having at the present time. In fact, she is buying wheat from the United States, Canada and France and she cannot assume this added burden of supplying 40 percent of the food for Egypt.

If we maintain this firm policy, it will be only a matter of time before Nasser can be contained, which is our only hope for peace in the Middle East. Mr. Chairman, I hope the amendment is adopted.

**NASSER'S ROCKET PROGRAM WELL ADVANCED;
PRESENTS REAL THREAT TO ISRAEL BY 1967**

(The following interview is based on interviews with German scientists, just back from Egypt (they asked that their names be withheld), and with West German defense ministry officials who debriefed them after their return.)

(By Omer Anderson)

BONN.—President Gamal Abdel Nasser said in a speech on Christmas Eve that the United Arab Republic must enter the atomic and rocket fields to deal with imperialism and Zionism.

"To deal with Imperialism and Zionism," Nasser said at Ismailia, "Egyptians must rely on themselves and develop their industrial, rocket, and atomic fields."

Nasser spoke a few days after a high officer on his general staff had told a correspondent of *Die Welt*, the West German newspaper published in Hamburg:

"The military situation of Israel will weaken from year to year. But the real danger of war in the Middle East will not exist for another 3 years—when Egypt has completed its rocket armament."

Addressing the 26th Zionist World Congress in Jerusalem, Israel Premier Leiv Eshkol said Nasser intended picking the time to start a war with Israel and would try to avoid an uncontrolled conflict until he was ready.

German rocket scientists hired by Nasser say that his growing bellicosity and candor reflect the fact that Egypt's missile program is considerably further advanced than is generally realized in the West.

HIT ISRAEL BY 1967

Some of these scientists who have returned to West Germany say that Nasser will have the missiles to devastate wide areas of Israel by late 1967 and that he will have rockets with a 1-ton payload by the end of 1965.

West German defense ministry experts who have questioned the returning rocket scientists regard their assessment of Nasser's rocket potential as entirely realistic and possibly too conservative.

The scientists say Nasser has accelerated greatly his rocket program since the first test firing of four missiles on July 22, 1962, from

a launching site in the western desert 50 miles from Cairo.

Two types of rockets were fired: The 40-foot Al Kahir (Conqueror), with a range given as 360 miles; and the Al Zafir (Victor), with a range of 250 miles. Range of 360 miles easily would carry the Al Kahir from within Egypt's borders to towns in Israel.

Nasser observed the firings marking the start of celebrations of his regime's 10th anniversary. He said the military significance of the rockets was in their range. He claimed the missiles were in large-scale production and that Egypt also could build two-stage rockets.

UNDERSTATES POTENTIAL

The returned rocketeers dispute Nasser's claim to have had rockets in large-scale production in 1962. But they say he has understated, if anything, Egypt's potential for missile mischief making.

The rockets launched in 1962 were basic copies of the German V-2 of World War II. Their guidance system was too erratic to give them military value for use against Israel. But that was 2½ years ago.

About 500 Europeans were working in the United Arab Republic in 1963 at the peak of Nasser's recruiting campaign which began in 1958 with an advertisement in a German newspaper: "Aviation works in north Africa offers employment to specialists of all types."

In fact, the presence of German military experts and technicians traces back to 1951. The Cairo government turned to German military experts and four naval experts. Dr. Wilhelm Voss, Nazi occupation manager of the Czechoslovakia Skoda Works and military production expert was hired to build an Egyptian armaments industry. In 1953, Rudolph Engel, a German engineer, was hired to build an Arab rocket, but this project was dissolved in 1957.

JET AIRCRAFT FIELD

All but about 50 of the 500 Europeans (of whom 450 were German) worked on the development of jet aircraft for Nasser in factories No. 35 and No. 136 in Helwan, 15 miles south of Cairo. The 50 scientists and engineers are employed on Nasser's rocket program, and these were led by Hans Goercke, Hans Kleinwachter, and Wolfgang Pilz, chief of Nasser's rocket project. This top trio worked at Peenemuende helping develop the V-2's that bombed London at the end of World War II, and after the war in the Normandy town of Vernon helping the French build the Veronique rocket. Dr. Eugen Saenger, who died last year, was hired as a consultant while he continued to head the Bonn government-supported institute for propulsion and space research at Stuttgart.

Dr. Saenger, it was revealed when he was forced to resign his position at Stuttgart, had received about \$35,000 in little more than a year from Nasser. Goercke Kleinwachter and Pilz were paid even more generously.

Top engineers receive \$2,500 a month and technicians \$1,000 and up. In contrast to the austerity imposed on Egyptians by Nasser, the Germans were provided with lavish living—air-conditioned penthouses, Nile-side villas with swimming pools, privileged status in the Helopolis Sporting Club. At carnival time they took over the Nile Hilton for Mardi Gras parties.

FANTASTIC LIFE

One of the returnees related, "It was a fantastic life. We had everything we wanted, but we were kept under constant guard to protect us from Israel terrorists and—I suspect—from a lot of Nasser's own people who must have been furious over the way we were coddled."

Pilz, Goercke, and Kleinwachter were protected by an Egyptian bodyguard in charge of a former Nazi SS officer. All of the Ger-

mans worked behind barbed wire, and their afterwards life of luxury was tinged with fear.

Pilz's secretary was blinded in one eye and her hearing damaged by the explosion of a package sent to Pilz from West Germany; Kleinwachter was ambushed on his way home from his laboratory in the town of Loerrach, on the German-Swiss border; and Goercke's daughter, Heidi, 25, was threatened in Basel, Switzerland, by two men later arrested by Swiss authorities as Israel agents.

In recent months, Israel has been exerting intense pressure on West Germany to force the repatriation of the Germans in Cairo. Chancellor Ludwig Erhard has demurred at asking for legislation to force their repatriation, but Erhard has encouraged their return by indirect measures, such as encouraging their employment by private German companies with Government aerospace contracts.

Goercke has returned and Pilz and Kleinwachter say they are ready to return if Erhard will guarantee their protection (presumably in this instance from Arab terrorists) and will indemnify Pilz' German secretary for the loss of her eye and impaired hearing from the package blast. But the Bonn government refuses to assume any special responsibility for their safety.

GERMANS RETURNED

Meanwhile about 150 Germans have returned, including at least half a dozen key associates of Pilz, Goercke and Kleinwachter on the rocket program. Nearly all of the Germans were recruited by two Zurich concerns (which placed the "North Africa" advertisement in 1958)—Mecco (mechanical corporation) and MTB (motors, turbines, and pumps). These concerns are owned by an Egyptian-born Swiss industrialist named Hassen Sayed Kamel. They are handling the procurement of components and other equipment for the missile program, and presumably the proximity of these concerns are not unconnected with the fears of Pilz and the rest for their safety if they break their contracts with Nasser.

Some of the repatriated Germans believe that Israel, short-term, may have more to fear from the jet aircraft the Germans are building for Nasser than the still-to-be-proved missiles, particularly since planes can be used against the Jewish state with fewer international complications than rockets.

Chief of the aeronautical section of Nasser's aerospace venture is Dr. Ferdinand Brandner, an Austrian-born jet aircraft pioneer. He developed engines for the Junkers bombers, and headed a team of 800 German engineers and technicians which developed the first postwar jet engines for the Soviets. The Germans were released from Russia in 1958, and a number of them, including Brandner, signed on with Nasser.

Mecco is the aircraft contractor, and MTB is providing the powerplants. Two planes are being built at Heluan, the HA200, a jet trainer, and the HA300, a supersonic jet fighter similar to the Mirage which France has sold to Israel.

MESSERSCHMITT SUBSIDIARY

The aircraft were designed by the Spanish subsidiary of Willy Messerschmitt, Hitler's aeronautical genius who developed the world's first jet fighter. Messerschmitt, now a major West German plane builder, established himself in Spain after the war when Germany was under Allied occupation and forbidden to have an aircraft industry.

While Nasser, technically, is being assisted by Messerschmitt's Spanish subsidiary, Messerschmitt himself is reported to be directly involved, regarding Nasser's program as a useful laboratory for creative endeavor outside the scope of his work for the West German defense ministry.

Messerschmitt has a design for a four-engined jet airliner which has been rejected for financing in West Germany. Nasser is understood to be interested in converting the airliner design into a light bomber. The HA300 ("HA" originally signified Messerschmitt's Spanish firm, Hispano Aviation, and now Nasser's Heluan Aircraft) is being upgraded into a tactical fighter bomber and the HA200 into an interceptor.

One of the Bonn government officials who has been debriefing the Cairo returnees summed up, "What Nasser will do is still problematical. He could be just running a gigantic bluff. It could be that he is too strapped for money to carry this thing much further. But it is obvious that the potentialities for trouble that he has created at Heluan are great and sinister."

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we had an election last November, and the American people clearly manifested their confidence in the leadership of Lyndon B. Johnson by giving him the largest majority ever given in the history of our country.

We now have the first bill before the Congress, and we find an amendment coming from our Republican friends that will tie the hands of the President of the United States in the performance of his duty under the Constitution in connection with foreign affairs.

The people of America had confidence in Lyndon B. Johnson last November, they have confidence in Lyndon B. Johnson today. I think it would be dangerous to adopt an amendment that will limit and tie the hands of the President of the United States in the field of foreign affairs. For 8 years under President Eisenhower, we Democrats supported him in the field of foreign affairs. We never offered an amendment to tie his hands. We never offered an amendment, no matter what our personal views might be, that would limit his powers as Commander in Chief of the Armed Forces of the United States, the one person under the Constitution who is charged with the conduct of foreign affairs.

Mr. Chairman, this amendment ties the hands of the President. As I say, we did not do it when President Eisenhower was in the White House for 8 years. The President of the United States is administering foreign affairs in the national interest of our country.

We can have confidence in President Johnson just as the people had confidence in him in November of last year.

I have always voted against any amendment that would limit the powers and the jurisdiction of the President of the United States in the field of foreign affairs. We took that position when a Republican was in the White House, and we should take the same fundamental position today.

I am opposed to any amendment in the field of foreign affairs that would tie the hands or limit the powers of the President of the United States, and I urge the Committee to reject the amendment because it is of vital importance, first in the national interest of our country and, second, I have confidence in the leadership of Lyndon B. Johnson.

Mr. GROSS. Mr. Chairman, I have been intrigued by the statements made this afternoon by administration spokesmen that there was "miscalculation" and "error" last year in financing operations of the Commodity Credit Corporation.

It was repeatedly pointed out last year that the funds then made available would be insufficient for the current fiscal year. It is not "miscalculation" and "error" that now makes necessary this legislation. It was phony budget cutting for which the Johnson administration must take the responsibility.

And let me make it plain that I support the amendment which has been offered to halt any additional agricultural products from being made available to Dictator Nasser of Egypt. When Nasser recently told the U.S. Government, in effect, to go to hell, President Johnson should have taken immediate action to cut off assistance of every description.

It is senseless to supply Nasser with any kind of aid while he buys arms from the Communists and supplies them to the rebels in the Congo, thus helping to make possible the butchery of thousands of whites and blacks.

Nasser should be put on notice now, not 6 months or a year hence that the taxpayers of this country will no longer tolerate such misuse of their money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 122, noes 128.

So the amendment was rejected.

The Clerk concluded the reading of the joint resolution.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the joint resolution back to the House, with the recommendation that the joint resolution do pass.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, had directed him to report the joint resolution back to the House, with the recommendation that the joint resolution do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. MICHEL. Mr. Speaker, in its present form I am.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MICHEL moves to recommit House Joint Resolution 234 to the Committee on Appropriations with instructions to report the same back to the House forthwith with the following amendment: On page 2, line 13, strike the period at the end of the sentence and insert the following: "Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act."

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MICHEL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 177, not voting 53, as follows:

[Roll No. 7]

YEAS—204

Abernethy	Ellsworth	Morse
Adair	Erlenborn	Morton
Addabbo	Farbstein	Mosher
Anderson, Ill.	Findley	Multer
Andrews,	Fino	Nelsen
George W.	Fisher	O'Hara, Ill.
Andrews,	Fogarty	O'Konski
Glenn	Ford, Gerald R.	O'Neal, Ga.
Andrews,	Fountain	Passman
N. Dak.	Frelinghuysen	Pelly
Arends	Friedel	Philbin
Ashbrook	Fulton, Pa.	Pike
Ashmore	Fuqua	Pirnie
Ayres	Gettys	Poff
Baldwin	Gibbons	Pool
Baring	Gilbert	Pucinski
Battin	Goodell	Quile
Belcher	Grabowski	Quillen
Bell	Green, Oreg.	Reid, Ill.
Bennett	Green, Pa.	Reid, N.Y.
Berry	Griffin	Reifel
Betts	Gross	Reinecke
Bingham	Grover	Reuss
Bolton	Gubser	Robison
Bow	Gurney	Rogers, Colo.
Bray	Hagan, Ga.	Rogers, Fla.
Brock	Haley	Rooney, N.Y.
Broomfield	Hall	Rosenthal
Brown, Ohio	Halpern	Roudebush
Broyhill, N.C.	Hansen, Idaho	Ryan
Broyhill, Va.	Harvey, Mich.	Satterfield
Buchanan	Helstoski	St Germain
Burke	Herlong	St. Onge
Burleson	Horton	Saylor
Burton, Utah	Howard	Scheuer
Byrnes, Wis.	Hutchinson	Schneebeli
Cahill	Ichord	Schweiker
Callaway	Jarman	Secrest
Carey	Johnson, Pa.	Shriver
Carter	Jonas	Sikes
Casey	Keith	Skubitz
Cederberg	Kelly	Smith, Calif.
Celler	Keogh	Smith, N.Y.
Chamberlain	King, N.Y.	Smith, Va.
Clancy	Krebs	Springer
Clausen,	Kunkel	Stafford
Don H.	Laird	Staggers
Clawson, Del.	Langen	Stalbaum
Cleveland	Latta	Stanton
Collier	Lennon	Stratton
Conable	Lindsay	Talcott
Conte	Long, La.	Teague, Calif.
Corbett	Long, Md.	Tenzer
Cramer	McCarthy	Tuck
Cunningham	McClory	Utt
Curtin	McDade	Walker, Miss.
Curtis	McEwen	Watkins
Dague	McMillan	Watson
Davis, Wis.	Macdonald	Weltner
Delaney	MacGregor	Whalley
Derwinski	Mailliard	Whitener
Devine	Marsh	Widnall
Dickinson	Martin, Ala.	Wilson, Bob
Dole	Martin, Nebr.	Wolff
Dorn	Mathias	Wyatt
Dowdy	May	Wydler
Dulski	Michel	Yates
Duncan, Tenn.	Minish	Younger
Dwyer	Minshall	
Edwards, Ala.	Mize	

NAYS—177

Adams	Greigg	Nix
Albert	Grider	O'Brien
Anderson,	Griffiths	O'Hara, Mich.
Tenn.	Hagen, Calif.	Olsen, Mont.
Annunzio	Hamilton	Olson, Minn.
Ashley	Hanley	Ottinger
Aspinall	Hansen, Iowa	Patten
Bandstra	Hansen, Wash.	Pepper
Barrett	Hardy	Perkins
Beckworth	Harris	Pickle
Blatnik	Hathaway	Poage
Boggs	Hechler	Price
Boland	Henderson	Purcell
Bolling	Hicks	Race
Bonner	Hollifield	Randall
Brademas	Hull	Redlin
Brooks	Hungate	Resnick
Brown, Calif.	Huot	Rhodes, Pa.
Burton, Calif.	Irwin	Rivers, Alaska
Byrne, Pa.	Jacobs	Roberts
Cabell	Jennings	Rodino
Callan	Joelson	Rogers, Tex.
Chelf	Johnson, Calif.	Ronan
Clark	Johnson, Okla.	Roncallo
Clevenger	Jones, Ala.	Rooney, Pa.
Cohelan	Jones, Mo.	Roush
Conyers	Karsten	Roybal
Cooley	Karth	Schisler
Corman	Kastenmeier	Schmidhauser
Craley	Kee	Scott
Culver	King, Utah	Selden
Daddario	Kirwan	Sickles
Davis, Ga.	Kluczynski	Sisk
Dawson	Kornegay	Slack
de la Garza	Landrum	Smith, Iowa
Dent	Love	Steed
Denton	McDowell	Stephens
Diggs	McFall	Stubblefield
Dow	McGrath	Sweeney
Duncan, Oreg.	McVicker	Taylor
Dyal	Machen	Teague, Tex.
Edwards, Calif.	Mackay	Thomas
Evans, Colo.	Madden	Thompson, La.
Everett	Mahon	Todd
Evins, Tenn.	Matsunaga	Trimble
Fallon	Matthews	Tunney
Farnsley	Meeds	Tuten
Farnum	Miller	Ullman
Feighan	Mills	Van Deerlin
Flood	Mink	Vigorito
Foley	Moeller	Vivian
Ford,	Monagan	Watts
William D.	Moorhead	White, Idaho
Fraser	Morgan	White, Tex.
Fulton, Tenn.	Morris	Whitten
Gathings	Morrison	Wilson,
Gialmo	Murphy, Ill.	Charles H.
Gilligan	Murray	Wright
Gonzalez	Natcher	Young
Gray	Nedzi	Zablocki

NOT VOTING—53

Abbit	Hays	Roosevelt
Bates	Hébert	Rostenkowski
Cameron	Holland	Rumsfeld
Colmer	Hosmer	Senner
Daniels	King, Calif.	Shipley
Dingell	Leggett	Sullivan
Donohue	Lipscomb	Thompson, N.J.
Downing	McCulloch	Thompson, Tex.
Edmondson	Mackie	Thomson, Wis.
Fascell	Martin, Mass.	Toll
Flynt	Moore	Tupper
Gallagher	Moss	Udall
Garmatz	Murphy, N.Y.	Vanik
Halleck	O'Neill, Mass.	Waggonner
Hanna	Patman	Walker, N. Mex.
Harsha	Powell	Williams
Harvey, Ind.	Rhodes, Ariz.	Willis
Hawkins	Rivers, S.C.	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Toll for, with Mr. King of California against.

Mr. Donohue for, with Mr. Holland against.

Mr. O'Neill of Massachusetts for, with Mr. Garmatz against.

Mr. Murphy of New York for, with Mr. Daniels against.

Mr. Halleck for, with Mr. Gallagher against.

Mr. Rhodes of Arizona for, with Mr. Willis against.

Until further notice:

Mr. Roosevelt with Mr. Lipscomb.

Mr. Hays with Mr. Harsha.

Mr. Hébert with Mr. McCulloch.

Mr. Colmer with Mr. Martin of Massachusetts.

Mr. Moss with Mr. Hosmer.

Mr. Powell with Mr. Bates.

Mr. Rivers of South Carolina with Mr. Moore.

Mr. Rostenkowski with Mr. Rumsfeld.

Mr. Dingell with Mr. Harvey of Indiana.

Mr. Flynt with Mr. Thomson of Wisconsin.

Mr. Shipley with Mr. Tupper.

Mr. Thompson of New Jersey with Mr. Williams.

Mr. Vanik with Mrs. Sullivan.

Mr. Waggonner with Mr. Downing.

Mr. Fascell with Mr. Senner.

Mr. Cameron with Mr. Thompson of Texas.

Mr. Edmondson with Mr. Udall.

Mr. Leggett with Mr. Abbit.

Mr. Hanna with Mr. Patman.

Messrs. KEOGH and GREEN of Pennsylvania changed their vote from "nay" to "yea."

Mr. TEAGUE of Texas changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. MAHON. Mr. Speaker, pursuant to the instructions of the House, I report back to the House, House Joint Resolution 234, with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 2, line 13, strike the period at the end of the sentence and insert the following: "Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of Title I of such Act."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made in Committee of the Whole and to insert certain tables and figures.

The SPEAKER. Without objection, it is so ordered.

There is no objection.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL PERMISSION TO REVISE AND EXTEND REMARKS MADE IN COMMITTEE OF THE WHOLE TODAY

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members speaking in the Committee of the Whole be permitted to revise and extend their remarks.

My seat was in a first-class car, which was tastefully decorated in the new line's dominant blue and white. There were wide double-pane windows, trimmed with light-blue glass curtains and draperies of a slightly darker blue, both of them elegantly veined with gold. A strip of rich blue carpeting ran down the middle of the car under overhead fluorescent lights, which were flanked by gleaming apparatus for heating and air conditioning. The seats, which could be tilted back and swiveled, were upholstered in gold, with crisp white antimacassars, and equipped with adjustable footrests and with little tables that popped out of the arms. I had an aisle seat. The seat next to mine was occupied by a Japanese who had placed a pint bottle of whisky and a glass jigger on the window sill. The sill, I calculated, was slightly less than 4 inches wide. While we were waiting to get underway, my seatmate uncapped the bottle, threw away the cap, filled the jigger, and set bottle and jigger back on the sill. The only suit I had with me was the one I was wearing, and I began wondering what might happen to it after we hit a hundred miles an hour and the bottle and the jigger began to jiggle. I also began wondering how sedate old Kyoto might react to an American in a whisky-soaked suit.

We set forth at precisely 10 o'clock. A few minutes later, as we cruised at a calm enough clip through the outskirts of Tokyo, there was a musical flourish over a public-address system. Then a pleasant feminine voice came on to tell us, first in Japanese and afterward in English, that we would reach Nagoya at 12:29, Kyoto at 13:36, and Osaka at 14:00. Her voice brimmed with confidence; there were no qualifications or doubts, explicit or implicit, in her prophecy. My seatmate gulped down the contents of his jigger, refilled it, and put it back on the narrow sill. I just gulped. A conductor and his assistant, both clad in trim blue-gray uniforms and immaculate white gloves, came into the car to check our tickets. First they favored us with smart salutes—an occurrence that would no doubt jolt a New York Central or New Haven commuter into dropping his whisky glass.

After handing over my ticket and being rewarded with grateful smiles, I pulled from my pocket a strip map that the railroad distributes to patrons. It was entitled "Train Window Panorama," and, fully extended, it was 5 feet long. In pictures and text, it described points of interest along our route. Like all tourists here, I was most interested in Mount Fuji, which a thick cloud cover had blotted out when I flew into Tokyo a month earlier. It was cloudy this morning, too, but the clouds were scattered and drifting. At 10:59—we hadn't seemed to be going especially fast out of Tokyo and through Yokohama, but even so we'd racked up over 80 miles that first hour—the mesmeric tip of that legendary mountain became momentarily visible to our west, above the clouds. I grabbed my camera and clicked away. An Englishwoman across the aisle remarked sourly that the best view of Fuji is from its west. (There is a spoilsport in every crowd.) Two minutes later, the public-address girl said that we would shortly be revving up to a hundred and ninety kilometers—about a hundred and eighteen miles—per hour, and that if we gazed to the west at that instant we would obtain our best view of Fuji. The Englishwoman grabbed her camera, but the mountain, I was gratified to notice, had ducked behind another cloud. Soon afterward, I tried to get a picture of some of the shrubbery in the district of Shizuoka, which my "Train Window Panorama" advised me was Japan's principal producer of green tea, but we were now moving faster than my shutter seemed likely to. The window, however, was as steady as a teetotaler's hand.

By 11:30, my companion, his bottle half empty, had tilted his chair back, removed his shoes, and stretched out to use his foot-

rest. I was beginning to feel thirsty myself, so I walked into the next car, which housed one of the buffets. Along one side ran a sit-down counter for eating, and along the other ran a standup counter for cooking and serving and eating and drinking. Above the door at the far end was a roster of the principal cities on our route; a thermometerlike red line—for all I know, electronically controlled—moved slowly from one to the next to indicate where we were at any given moment. (We were now approaching Hamamatsu, whence, said the "Train Window Panorama," comes much of Japan's edible seaweed.) At the opposite end of the car was a speedometer. We were traveling at 200 kilometres an hour—more than 2 miles a minute. Behind the standup counter was a refrigeratorlike appliance bearing a sign reading "Do not drink water when lamp is out." Next to this warning was an unlit light bulb, so I ordered a beer from a girl behind the counter. The buffet car was prettied up with lots of fresh flowers. It was chrysanthemum time in Japan, and in Tokyo I had seen eye-popping displays of that imperial blossom at the Olympic Village, at the National Stadium, and almost everywhere else I turned, but the bullet train, as if to emphasize its uniqueness, had this morning gone in for carnations. The speedometer inched up to 210 kilometres per hour. There was a bit of swaying, but not much more than you get on a New York Central commuter car when it has come so close to a full stop that the passengers are already jumping off. According to a large electric clock that the Japanese had also thoughtfully provided for our enlightenment, it was now 11:46 and as the red line revealed that we were closing in on Hamamatsu the public address girl announced, with evident relish, that when we got to that city we would overtake an ordinary express train that had left Tokyo half an hour before us. A minute or two later, we shot past it, and not long afterward there was another sound like a shot as we passed a bullet train going in the opposite direction. The other bullet train's 12 cars were fused into a single blue-and-white blur.

A Japanese standing next to me at the counter asked, in English, if I was an American, and when I said I was he wanted to know if I was an observer. I asked what he meant, and he explained that he'd read in a newspaper just that morning that the United States was thinking of going into the bullet train business on the run between Washington and Boston and also in the San Francisco area, and that American railroad men were supposed to be sniffing around to find out how the Japanese had turned the trick. Washington to Boston in 4 hours was the American dream, he told me, and he added that as far as he was concerned he hoped his nation would share its technological know-how with mine. I told him I was not really an observer and thanked him, and we exchanged bows. Then he asked me how it felt to be a marmot. I looked puzzled again. He must have taken me for a real dope, but he explained patiently that Japanese doctors use marmots to try out delicate surgical procedures on before they use them on human beings, and that we passengers were akin to marmots (if he had said guinea pigs, I'd have caught on more quickly) in that the railroad wouldn't introduce the 3-hour Tokyo to Osaka run until it had determined experimentally how we stood up to the 4-hour run. The conductor came into the buffet car and stopped beside us to ask the counter girl if there had been much breakage. No breakage at all, she told him. The conductor beamed. My companion offered him a cup of coffee, but he said he didn't drink while on duty. I asked the conductor how everything was going. In 22 years of working on the railroad, he said, he'd never had a better time, and the mem-

bers of his crew—20 or so all told, including the kitchen help—were also thoroughly enjoying themselves. You meet a higher class of people on the bullet train, he added. (This, I reflected, might have some connection with the higher class of fare.) Without even inquiring whether I was an observer, he volunteered the information that each bullet train has a capacity of 987 passengers—132 in first class and 855 in second. On this run, his Hikari was 80 percent full.

Gamagori, a summer resort noted, according to my map, for its picturesque seascape, was coming up next, but when it came we tore through it so swiftly that its picturesqueness eluded me. The conductor said matter-of-factly that the train would probably be fuller than it was but for a good many Japanese who were reluctant to ride on it because they were not yet entirely convinced that it was safe. I blinked. He added hastily that, of course, it was safe. In a month's operation, there had been only one, minor misadventure: somebody had fired an air-rifle bullet at a bullet train and nicked a window in the last car. The marksman, I suggested, had probably aimed at the first car. Nevertheless, the conductor went on, quite a few Japanese appeared to be hanging back, waiting for some sort of all-inclusive guarantee. As far as the government and the railway administration were concerned, he said, the bullet trains had already been proved as safe as any trains could be.

Feeling not only secure but euphoric, I ate some fried prawns and returned to my seat to prepare to disembark, which I ultimately did on the dot of 13:36, as promised. By that time, my seatmate, who was evidently going on to Osaka, resembled an anesthetized marmot. His bottle was nearly empty, but his jigger, brimful, stood defiantly on the window sill. As well as I could make out, not a drop had spilled during the entire trip.

PROVIDING A COLLEGE EDUCATION FOR CHILDREN

(Mr. CABELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include a bill.)

Mr. CABELL. Mr. Speaker, I am today introducing a companion bill to H.R. 2098, as introduced by the gentleman from Texas [Mr. WRIGHT] on January 7.

This bill takes cognizance of the burden placed upon parents attempting to provide a college education for their children at today's high costs, by granting a small amount of tax relief to such parents. I bespeak your favorable consideration of this measure.

The text of the bill follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for a taxpayer with one or more children in college

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 38 as section 39 and by adding after section 37 the following new section:

"SEC. 38. CREDIT FOR TAXPAYER WITH CHILDREN IN COLLEGE.

"(a) IN GENERAL.—There shall be allowed to an individual, as a credit against the tax imposed by this subtitle for the taxable year, an amount equal to \$300 for each child of such individual (within the meaning of section 151(e)(3)) who in such year is a student at the undergraduate level (within

the meaning of section 151(e)(4)) at a duly accredited college or university.

"(b) CREDIT NOT TO CAUSE REFUND OF TAX.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under the provisions of this part other than this section and sections 31 and 32.

"(c) CREDIT IN ADDITION TO DEDUCTIONS.—The credit allowed by subsection (a) shall be in addition to, and shall not reduce or otherwise affect, any deduction which may be allowable under this chapter."

(b) The table of sections for such part IV is amended by striking out

"Sec. 38. Overpayments of tax."

and inserting in lieu thereof

"Sec. 38. Credit for taxpayer with children in college.

"Sec. 39. Overpayments of tax."

SEC. 2. (a) Section 36 of the Internal Revenue Code of 1954 (relating to disallowance of credits to individuals paying optional tax or taking standard deduction) is amended by striking out "and 35" and inserting in lieu thereof "35, and 38".

(b) Section 37(a) of such Code (relating to retirement income credit) is amended by striking out "and section 35 (relating to partially tax-exempt interest)" and inserting in lieu thereof "section 35 (relating to partially tax-exempt interest) and section 38 (relating to credit for taxpayers with children in college)".

SEC. 3. The amendments made by this Act shall apply only with respect to taxable years ending after the date of the enactment of this Act.

UKRAINIAN INDEPENDENCE DAY

(Mr. FINO (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FINO. Mr. Speaker, as a nation of 44 million of sturdy, stout-hearted and industrious souls the Ukrainian people have deserved much more than what has been allotted to them. Fate was kind to them in planting them in the most fertile and rich land in Eastern Europe, but it denied them the requisite power with which to defend their land against its more powerful and greedy neighbors. In this sense fate was cruel to them, and cruel has been their lot especially since the middle of the 17th century.

Since then, except for a brief span of 2 years in 1918-20, the Ukrainians have been suffering under alien regimes. In 1918 the chains holding them in bondage were shattered, and they proclaimed their independence on January 22 of that year, only to be enslaved once more by Communist Russians 2 years later. Today these Ukrainians are suffering more under Communist Russians than did their forefathers under Czarist Russians, but fortunately these oppressive regimes have not killed their spirit of freedom, their love of independence. I gladly join all liberty-loving Ukrainians in the 47th anniversary celebration of Ukrainian Independence Day.

NASSER AND U.S. AID

(Mr. MINSHALL (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MINSHALL. Mr. Speaker, biting the hand that literally is feeding them is becoming popular sport among some nations. As a member of the Foreign Operations Appropriations Subcommittee I continue to be appalled at the administration's insistence on rewarding nations for their ingratitude and contempt.

Continued aid to Nasser and others of his ilk comes under the heading of "How Silly Can You Get?" It is time to call a halt.

I am pleased that the House at last will express itself on aid to the United Arab Republic, one of the more notorious of the ingrate nations. In exchange for heavy U.S. aid over the years, we have had our library in Cairo burned, an unarmed plane shot down, and our Nation made the object of ridicule and derision by Nasser.

Less than a week after he denounced the United States and told us to "go drink sea water," the Department of Agriculture issued an authorization for shipment of almost \$17 million worth of wheat to the United Arab Republic under the food-for-peace program. Since 1954 we have sent Nasser \$720 million in goods. Adding transportation costs, it means our taxpayers have footed a \$1.1 billion bill.

I shall vote to withdraw our assistance, and I look forward to the day when the House will take similar action regarding Indonesia and other nations who commit acts of insolence.

THE FEDERAL BUDGET

(Mr. MINSHALL (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MINSHALL. Mr. Speaker, we are considering the first in a \$6 billion series of postscripts to the 1965 Federal budget.

Today's postscript asks taxpayers for \$1.7 billion for price-support payments. This represents a budgetary mistake on the President's part last year when his experts estimated the cost of these payments.

One wonders how many such errors were committed in drawing up the 1966 fiscal budget, the famous "under 100 billion" budget submitted to Congress yesterday.

The ranking minority member of the Appropriations Committee on which I serve, the gentleman from Ohio [Mr. Bow], has scored many of the obvious bookkeeping deceptions in the 1966 budget presentation, pointing them out as embarrassingly awkward attempts to prove that an economy-minded administration is struggling to run the country for less than \$100 billion a year. Actually, as the gentleman pointed out in his remarks, the budget contains new obligational authority of more than \$106 billion.

If this is compounded by "underestimates" which only will be discovered later on, we can count on supplementals to the 1966 budget pushing spending far past the \$110 billion mark.

It is my responsibility as a member of the Appropriations Committee to ex-

amine every budget request. I approach this duty in behalf of the average taxpayer who has neither the time nor the detailed information nor the benefit of committee hearings to do a budgetary analysis, but who wants his country run efficiently with a fair return in defense and public services for the dollars Washington takes from him. He is due an honest statement of facts by both White House and Congress where his hard-earned money is involved.

Sham economies and shaded figures cannot fool him long if the public debt climbs and the value of his dollar declines. We already have been alerted to a request from the White House to raise the debt limit another \$5 billion later this year.

If it is essential to spend \$106 billion, or \$110 billion, to run the Nation at peak efficiency and national security, let the administration say so forthrightly. Not one of us begrudges money wisely spent. But there are many of us, on both sides of the aisle, who think that it can be run very well indeed for far less than the amount actually asked by the White House.

Those of us who served in the 85th Congress remember the battle of the budget which raged in 1957 when President Eisenhower submitted his \$78 billion request. The size and purpose of the proposed budget was given wide publicity, the public had the facts. A storm of protests reached Capital Hill and you could scarcely get into a congressional office for all the mailbags in the doorway. By the end of the session, Congress had found that \$5 billion could be spared from the budget without the loss of a single service or the sacrifice of national defense.

I feel confident that if the white light of publicity were given to the new budget so that the public realized its enormity, Congress might well be encouraged to weigh each money request with reasoned care.

ISOLATIONISM FOR THE UNITED STATES

(Mr. BOB WILSON (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, I am increasingly concerned over reports in the press which indicate that some Members of Congress, who have acted as bellwethers for foreign policy changes that have been made in the past, have advocated a new isolationism for the United States.

The press has carried statements that we are "overextended" in our commitments around the globe, that the vital interests of the United States are not in Asia and Africa. It has been suggested that we came in only because there was a power vacuum.

Some of these statements pointedly refer to Vietnam and suggests that we should affect some sort of more or less honorable withdrawal from military engagement in that strife-torn country. The argument is used that factors are out of our control and that we cannot

there is too little reward or encouragement offered for this type of self-development. Most officers devote their energy to routine and perfunctory tasks associated with their jobs. Few maintain intellectual interests in science, engineering, history, languages, or similar academics. Without them, officers are really no more than technicians. They are stagnating intellectually. The fact that they are judged by their practical skills tends to mask this intellectual stagnation. This only reveals itself when real leadership and keen insight are needed to guide their decisions in dealing with the unforeseen problems that our rapidly changing times throw at them.

What impresses me in my interviews is the greater maturity of the NROTC students compared to Academy students. I attribute this to the fact that the generally superior academic education and the open life at civilian colleges tend to foster maturity. Or perhaps some practices at the Academy, such as hazing, tend to foster continuance of an adolescent attitude through and beyond the age when one should reach maturity. I am reminded of what the author and journalist Alan Pryce-Jones said recently about Oxford: "We were treated as grownups at the age of 17. And there were superb libraries and memorable tutors in an ambience of learning."

Is it too much to expect that a youth of 17 be treated as an adult? In Biblical times a young man attained manhood at the age of 13. In medieval times when the child reached the age of about 7, he belonged to adult society. This may have been due to the fact that because of the very high child mortality little emotional investment was made in young children. The child was dressed like the grownup. When you look at medieval paintings you can see the similarity in clothes. For many centuries there was no dividing line between the games and pastimes of older children and adults. Girls often married at 13 and boys at 14. For a long time the child, the adolescent and the adult all sat at the feet of the same master and studied the same lessons.

Children were accorded adult treatment even in later times. Our own naval hero, Farragut, was made master of a prize at 10. Yet at the age of 22 I still had to get my company officer's signed approval to buy a pair of socks at the midshipmen's store.

Relative immaturity of midshipmen is often explained away by arguing that Anglo-Saxon youth ripen slowly in comparison with other people.

Do not delude yourself on this point. Comprehensive studies show that it has no basis in fact. Therefore, the lack of maturity to which I referred is your own personal responsibility, not that of your ancestors.

I mentioned hazing as possibly contributing to immaturity. You may be interested in the origin of the type of hazing in vogue here. It began in England in the early 19th century when the growing industrial and business class sought better education for their sons. As there was then no public education in England, the few private schools became crowded. There were simply not enough teachers to do the teaching and maintain order too. Because of this, and to save money, the maintenance of order was turned over to the older students who accomplished this by hazing. This is the origin of modern hazing which continues to this day, in symbolic form at our civilian colleges, in actual practice at the service academies.

The harm done by hazing is not its physical aspect. I am sure this is quite minor and hurts no one. The harm is done in a more subtle way and to both parties. The newly arrived midshipman is made to feel, not as an equal who has joined a goodly company whose older members assume the responsi-

bility for his welfare, but as an inferior who must do things because they are ordered, whether there is any reason or not. The upperclassman acquires a false concept of the proper way to exercise authority.

Yet hazing is not something the authorities require or officially condone. For 40 years I have been hoping that some day there would be a Naval Academy class that upon becoming third classmen at the age of 18, would be mature enough to depart from boyish practices and adopt an adult manly attitude toward their juniors. As the Apostle Paul said in his first letter to the Corinthians: "When I was a child, I spake as a child, I understood as a child, I thought as a child; but when I became a man I put away childish things."

A misconception I find prevalent among midshipmen and younger officers is the feeling that during their years at the Academy and as young officers they are so far down the ladder that nothing they do can have real importance. This is exactly the opposite of the truth. Generally, the first 10 to 15 years of a man's career are the truly creative ones. Therefore, you cannot ever postpone doing the very best you know how. On the contrary, you must use your years at the Academy and as a young officer to work and study your very hardest. It is in these years that the foundations of your career are laid. Otherwise, you will find to your sorrow later in life that you have lost an opportunity which cannot be recovered.

Too often, midshipmen place the blame for their educational deficiencies on others. I am frequently told that the atmosphere in a particular company at the Academy is not conducive to study; or that no one teaches them about practical engineering on summer cruises. Yet, when confronted with the obvious question as to what initiative they themselves took to improve their lot in the face of these situations, the answer invariably is "None." This lack of initiative is a personal weakness characteristic of individuals who are content to follow passively and to bemoan that they are victims of their surroundings. The circumstances in which you find yourselves may be beyond your power. But your conduct in these circumstances is within your own power to control.

Blaming others for deficient conditions is of course not unique to midshipmen. It applies equally to many officers I interview before they enter the nuclear program. Many of these officers do not understand the true meaning of the word "responsibility." When questioned, they readily admit that the combat efficiency of their ship needs to be improved. Yet when asked what they are doing to improve matters, it seldom occurs to them that they have a personal responsibility. The fault, as they have analyzed it, lies in the inexperienced men assigned to them, in old or poor equipment, in not being motivated by their seniors, etc., but never in themselves. Yet these same officers usually have little knowledge of the fundamental or detailed technical aspects of the equipment for which they are responsible. They rarely study technical manuals or instruction books to overcome this ignorance. These weaknesses in the educational development of our naval officers can and should be corrected. The Navy cannot otherwise contribute its proper share to the military stature of our country. The question for each of you is: What can I do personally? No one can answer it for you. If you have listened to what I have said, it should be clear that each of you must find his own answer. "You yourself must set flame to the faggots which you have brought"—a statement, incidentally, by a playwright who was a naval officer. But I can perhaps help by posing some pertinent questions. I suggest you ponder these and like questions which will occur to you and decide your own positive courses of action:

Is broad and continuing intellectual development my foremost objective here at the Naval Academy? Or am I content merely to get by?

Am I striving to acquire a real understanding of the fundamentals of science, engineering, and humanities? Or am I resorting to techniques whose purpose it is to get the best possible grade for the least effort?

Do I choose electives which are difficult and intellectually stimulating? Or do I choose easy ones which may improve my class standing, yet contribute little to further my educational development?

Am I taking advantage of every available opportunity to broaden my knowledge? Or am I devoting time to meaningless activities which have little relevance to my development as a human being and as a professional naval officer?

Am I developing the habit of independent thought and inquiry which requires me to question doctrinaire and traditional approaches to problems? Or do I blindly accept everything that is cloaked with the mantle of authority?

In attempting to answer these self-imposed questions you may discover that you are discontented with what you have accomplished. You may find that a strong effort on your part is needed to wrench your mind from intellectual stagnation. While positive corrective action in your environment may be difficult to acquire, remember it is your responsibility to do what you can to overcome such difficulties. Ignorance is a voluntary misfortune.

In conclusion I will quote a perceptive passage at the end of Darwin's "Origin of Species":

"Although I am fully convinced of the truth of the views given in this volume. * * * I by no means expect to convince experienced naturalists whose minds are stocked with a multitude of facts all viewed, during a long course of years, from a point of view directly opposite to mine. * * * But I look with confidence to the future—to young and rising naturalists who will be able to view both sides of the question with impartiality."

My hope is a similar one. While I do not expect that my views will gain wide acceptance in the Navy today, I am hopeful that you of the younger generation will eventually learn to understand them and perhaps benefit from them. If what I have said disturbs you, bear in mind I did not come here to please you but to make you think.

Speakers often tell you that the future lies in your hands. By these words they do not mean that you are superior in capacity or in intelligence. Many of you appear to believe this as you graciously accept this platitudinous homage. Not at all. What they are attempting to convey to you is the hope that perhaps as many as a handful in the audience will be inspired to ponder their purpose in life and set themselves difficult goals.

The Spanish philosopher Ortega y Gasset once wrote a book around the thesis—to quote him—that "there is no doubt the most radical division it is possible to make of humanity is that which splits it into two classes of creatures; those who make great demands on themselves, piling up difficulties and duties; and those who demand nothing special of themselves, but for whom to live is to be every moment what they already are." I read this as a young man and it impressed me deeply. And all my life I have unconsciously judged people and institutions by whether or not they set themselves a standard; whether they measure themselves against a criterion that requires effort because they deem it worthy of effort.

The Navy can offer unlimited opportunity to anyone who is willing to study and work hard—to anyone who is willing to exercise his brain and who is not afraid to question outworn shibboleths. The Navy is also a place where an officer can, for a while, coast; where

he can get by with a minimum of effort and with perfunctory work.

Take your choice. When the time comes for you to contemplate your life and you ask yourself "What have I accomplished?", will you have something to show; will you have had an impact on your environment, or will you have become nothing but a statistic.

THE 47TH ANNIVERSARY OF UKRAINIAN INDEPENDENCE

(Mr. McCORMACK (at the request of Mr. EVANS of Colorado) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, it is a privilege to join in honoring the brief period of Ukrainian independence again this year, on the 47th anniversary of its establishment in 1918.

For a time, all too fleeting, it appeared that the centuries-old aspirations of Ukrainians to achieve enduring freedom from foreign oppression might be realized. When czarist Russia was plunged into revolution and defeat in World War I, a National Ukrainian Congress met in Kiev in April 1917 and elected a central council, or rada. After the earlier proclamation of an autonomous Ukrainian Republic, the rada on January 22, 1918, proclaimed a "free and sovereign" Ukrainian Republic.

Less than a month later, the Communists captured Kiev, and the rada was forced to flee. Briefly independent again in the changing fortunes of war, the Ukrainians were again subjected by the Red Army, and their brief realization of independence quickly vanished.

The flame of independence still burns brightly in Ukrainian hearts. Along with more than 200 million other people of Eastern Europe, whose hopes for freedom are being repressed, the 44 million Ukrainians and those of Ukrainian ancestry in other countries long for the day when true independence can be celebrated again on native soil.

Each year, Members of the House and Senate join in commemorating this anniversary of Freedom in the Ukraine, to help draw the attention of free peoples to the continuing plight of the Ukraine and to help strengthen the resolve of Ukrainians to be free, letting them know that they do not stand alone. And here in the capital of the world's mightiest nation, the attention of hundreds of thousands of visitors is captured by the statue of Taras Shevchenko, distinguished Ukrainian poet and freedom fighter, one of the patriots who founded a secret society in Kiev in 1846 in opposition to czarist rule.

What we have witnessed in the Ukraine, despite starvation, persecution and mass deportations by the Stalin government in Moscow, has been an inspiring proof of the power of love of country, which the sternest measures of dictatorship have not been able to overcome. And so I am proud indeed to join in honoring this brave people and to express my own fervent hope that the freedom they have so long and valiantly struggled for will at last be permanently achieved.

AID TO UNITED ARAB REPUBLIC

(Mr. GILBERT (at the request of Mr. EVANS of Colorado) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GILBERT. Mr. Speaker, our generosity with aid to the United Arab Republic has helped Nasser further his aggressive policies in the Middle East. President Nasser is using our American aid to finance rebel uprisings in the Congo and Yemen. The United States has received only hatred and insults for our \$1.5 billion in aid to Nasser in the last 10 years. He attacked us time and time again in speeches, and a recent example of his vilification was the burning of the Kennedy Memorial Library in Cairo.

Nasser has repeated his threats to destroy Israel, our democratic ally in the Middle East. Last week in a 4-day conference in Cairo, the Arab Premiers reaffirmed intentions to push toward the cutting off of Israel's water with the building of a pumping station on the Wazzani River, which flows through Lebanon and Syria into Israel. By a series of locks, tunnels and canals, the water is to be fed around Israel and into Jordan. The Arab's second main goal is to force reduction of West German aid to Israel. The Arab Premiers warned Bonn they might retaliate by recognizing East Germany.

The United States has been very generous to the people of Egypt for many years. In our food for peace program we have had the well-being of the people of Egypt in mind. Nasser has used our generosity to channel his country's resources toward a modern offensive arms buildup.

Mr. Speaker, the time has come when we must face the fact that in our foreign aid to Nasser we have an example of a dictator who has used the plight of his hungry people to further his ambitions to conquer and subjugate smaller, weaker nations who seek peace—a dictator who has used our generosity to build up animosity and hatred against us.

Nasser has received and continues to receive American aid despite the almost constant turmoil he has created and nourishes in the Middle East. Egypt has refused to cooperate with the U.N. in the Congo; it has persisted in a campaign to incite the Congolese people against Europeans and Americans and it arms the rebels in the Congo. Nasser employs German scientists to build military machines and he receives large-scale military aid from Soviet Russia. He demands the removal of the U.S. base in Libya and harasses the British in Aden. In violation of its promise to withdraw troops from Yemen, Egypt keeps more than 40,000 soldiers there. It threatens the destruction of Israel, shoots down a U.S. civilian plane, killing the two crewmen, and its street mobs destroy our USIS library.

When Congress adopted the "aggressor nation clause" the intent was that aid be denied to Egypt as long as her aggressive policy continued. So far, that clause has not been implemented. Recent events prove not only that Nasser

has not changed his policies, but that he is becoming more belligerent in his attitude and actions, and the situation in the Middle East is rapidly deteriorating.

Mr. Speaker, I support the amendment offered. It is time that we discontinue aid to Egypt. Let us give Nasser the opportunity to convince us that he and his nation deserve our generosity. The time has come to place upon him the burden of proving to our satisfaction that he is worthy of our aid.

(Mr. PEPPER (at the request of Mr. EVANS of Colorado) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. PEPPER'S remarks will appear hereafter in the Appendix.]

LUTHER HARTWELL HODGES

Mr. SPEAKER. Under previous order of the House, the gentleman from North Carolina [Mr. COOLEY] is recognized for 60 minutes.

Mr. COOLEY. Mr. Speaker, I take this time to pay a brief tribute to a true and trusted friend, a distinguished statesman and a great American, Luther Hartwell Hodges.

Shakespeare once said, "be not afraid of greatness. Some are born great, some achieve greatness, and some have greatness thrust upon them."

Luther Hodges was not born great nor was greatness thrust upon him, but he achieved greatness. By his unswerving fidelity to truth, his great integrity, and by the honest and courageous manner in which he performed all of the vital functions of public office and high service and especially by his intelligent devotion to duty he has distinguished himself and endeared himself to the people of our State of North Carolina and to the people of the Nation. He was born in poverty, the son of a tenant farmer, but he waged war against poverty when he was but a child and he made his way in the business world of a busy Nation. He pulled himself up by his own bootstraps with determination and a smile. He obtained an education and he won the hearts of thousands of friends and went on to other and great achievements. He was a success in the business world and he has never been intimidated nor retarded by any sort of a complex. He knew that in this great land of ours no man is born great and no man has greatness thrust upon him, but every man has a chance to achieve greatness.

After a successful career in the business world of America and after he had decided to retire, another great opportunity was presented to him in the political life of our State. He became Lieutenant Governor and after that he became Governor and served with great ability and distinction for 6 years. Upon the death of Gov. William B. Umstead, Luther Hodges, then Lieutenant Governor, became Governor and thereafter was elected for a full 4-year term. Certainly

to raise the level of the per capita income of our people.

His service on the national scene has been in the capacity as Secretary of Commerce, and in that high position he rendered outstanding service to the Nation as he did for our State when he served as Governor.

After a long and arduous tour of public service, Mr. Hodges has now elected to retire to the quiet and peaceful scenes in the beautiful village of Chapel Hill. He well deserves the rewards that will come from retirement, but many of us who know him intimately feel that his restless spirit will not permit him to retire to a life of idleness and ease. My prediction is that he will merely be transferring once again the scene of his activities and that his voice and influence will continue to be heard and felt in the promotion of causes which have such strong appeal to him.

Mrs. Jonas joins me in extending to Luther, and to his charming and devoted wife Martha, our deep and sincere good wishes for long life, good health, and happiness at Chapel Hill.

Mr. FARNUM. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. FARNUM. Mr. Speaker, I consider it a great privilege that the gentleman from North Carolina has yielded to me in order that I might make a statement in behalf of the former Secretary of Commerce, the Honorable Luther Hodges.

Mr. Speaker, I first had the privilege of becoming acquainted with Luther Hodges when he was the Governor of his great State. As Governor, and later on many occasions as a member of the President's Cabinet, he came to our State to share with us his sagacity and great store of commonsense in meeting the problems not only of Michigan but of the Nation. His dedication to purpose, his honesty and his gentlemanly graciousness impressed all who came in contact with him. Mr. Speaker, I consider it a privilege here today to be allowed to associate myself with the remarks of the gentleman from North Carolina [Mr. COOLEY] and to commend him for his remarks which he has made today in regard to this great man. It is my privilege to participate in this well-deserved tribute to former Secretary of Commerce Hodges and may God bless him and his family in his future years.

Mr. COOLEY. I thank the gentleman from Michigan.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the Record on Mr. Hodges.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE LATE SIR WINSTON CHURCHILL

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, the world has lost a great champion of liberty, a man who in character and deed embodied the grandeur of an upsetting time.

We mourn the quiet passing of Sir Winston Churchill; may our remembrance of him stir within us the will and faith which distinguished his life.

To his family and the British people, we extend profound sympathy on their loss, which is also ours.

There is no end to the honor and respect owing to this giant among men. In an age of growing specialization and polarization, he epitomized skill and wisdom in all fields. Statesman, politician, warrior, author, painter and bricklayer, the life of Winston Churchill is of heroic dimension.

We can never forget that Winston Churchill, more than any other person, rallied the forces of civilization against Hitlerite tyranny. At that hour when Europe quivered, helpless, before the onslaught of evil incarnate, the island kingdom found a man who would not surrender. He stirred the conscience of his nation, of the free world, returning to the democracies that vital respectability which had been lost in weakness, pettiness and defeat.

Sir Winston Churchill, his character and his achievements, will endure as long as freemen have the strength to protect the liberties which he cherished.

BIG LIES

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. BERRY] is recognized for 15 minutes.

Mr. BERRY. Mr. Speaker, the House is indebted to the distinguished gentleman from Utah, the Honorable DAVID KING, for bringing to the attention of the House yesterday another of the "big lies" that the leftwing radical press is still in the process of telling about Senator Barry Goldwater.

Let me point out, Mr. Speaker, that a deliberate misquote is worse than a deliberate lie. For several years and particularly throughout the past year this leftwing radical press has heaped upon the head of Barry Goldwater a crown of thorns woven from deliberate lies, deliberate misquotes, deliberate misstatements of his position, and the deliberate taking of quotes out of context.

In reporting the speech of Senator Goldwater at the Chicago meeting of the Republican National Committee on January 22, the Washington Post carried in quotations their version of the statement Mr. Goldwater made and it was exactly as the gentlemen from Utah read on the House floor yesterday. In other words the Post quoted him as saying:

I wasn't dishonest enough in the last campaign to win. In order to win campaigns, one must be dishonest, or a little dishonest.

In their report of the meeting of the national committee the Newsweek magazine which is associated with the Washington Post Co. and is almost as far to the left as the Post could not, apparently, go quite as far in misquoting the Senator as did the Post—they said this:

What it boils down to is that I wasn't dishonest enough to win this campaign.

The Newsweek article could not even stomach the whole lie and the so-called quote even had been tamed down a little from the Post article.

Now what did Mr. Goldwater say in his speech in Chicago. I have the paragraph taken from the transcript of his speech. I shall quote this part of the speech today and I ask, Mr. Speaker, that I may have unanimous consent to insert in the CONGRESSIONAL RECORD on tomorrow, the entire speech in order that everyone may read what the man actually said and not what the Washington Post said he said or what the Newsweek magazine even quoted him as saying. That part of his speech dealing with dishonesty is as follows:

Of course, this always happens after a campaign. People begin to write books about the campaign and I have had a real interesting and amusing time reading them. In fact, what they boil down to mostly is that I wasn't dishonest enough in this last campaign to win. [Applause.] It is a little distracting to find writers feeling that in order to win an election one must be dishonest or, at least, a little dishonest. In fact, it has gotten so bad I may write a book myself about this campaign just to get the truth across. If I were going to do that I would include in it something like this.

Mr. Speaker, it is not difficult to see what the warped and wicked mind of a writer can contrive. What Mr. Goldwater was saying was that the people who have been writing these books about the election have been saying that he was not dishonest enough in this last campaign to win. And then by simply leaving out the words "it is a little distracting to find writers feeling that," the reporter was able to put the forked tail and the horns, they pictured Goldwater as having during the campaign, back on the Senator in Chicago by having him say—not the writers of books on the election, but Goldwater himself—"in order to win campaigns one must be dishonest, or a little dishonest."

Of course, those who would continue to shoot their poisoned arrows through the former Senator, in hopes of poisoning the minds of all Americans against anyone who may be inclined to be conservative can easily skip the important words that Goldwater used, when he said, "it is a little distracting" and so forth. This gives an entirely different impression of the speaker from the one the reporters would like to present. As Newsweek said in reporting this speech in their February 1, 1965, issue on page 21:

But Barry wasn't about to eat humble pie for long. Defiantly, he unleashed a verbal

attack on the President as bitter as any he made last year. "What it boils down to," he said, "is that I wasn't dishonest enough to win this campaign."

Does this statement depict the truth of Goldwater's speech?

Is it any wonder, Mr. Speaker, that a very prominent Republican who was on the floor yesterday and heard the gentleman from Utah [Mr. KING] and the gentleman from Oklahoma [Mr. ALBERT] make the statement to me, "If Goldwater said that, I am done with him too."

Until tomorrow, when I will have the entire text of the Goldwater speech to insert in the RECORD, I simply want to express my appreciation to the gentleman from Utah for calling the "big lie," this character assassination, to the attention of the Members of the House, in order that the truth may be properly ventilated.

THE LATE SIR WINSTON CHURCHILL

(Mr. DERWINSKI (at the request of Mr. DEL CLAWSON) was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, I join Members of the House in paying tribute to a great world statesman, the late Sir Winston Churchill. Americans certainly appreciate and recognize his unique role in history. The Nation mourns his passing as a true friend of freedom whose memory will always be held in special reverence by all Americans. Typical of the press commentary across the country on Churchill's career were the editorials which appeared in Chicago's American and the Chicago Daily News on January 25:

[From Chicago's American, Jan. 25, 1965]

CHURCHILL

(The life we are today honoring is unique. The oldest amongst us can recall nothing to compare with it. The younger ones among you, however long you live, will never see the like again.)—HAROLD MACMILLAN, before House of Commons, July 1964.)

With Sir Winston Churchill, an age of heroes has passed. There are living reminders of it still; there are even still heroes, but they have survived their time. The world does not stir to their voices as it stirred to Churchill's.

We should not really grieve for Churchill. His death was not a tragedy. His life had to end and it ended, in peace and honor, after one last, gallant fight; and we could have wished no better for the old warrior.

What a life it was. Churchill was famous, a leader and shaper of events, in an age so different that it is hard for most of us to imagine. He saw and fought in battles that rang as far off and strange as the wars of the Old Testament. Malakand and Tirah, the world's last great cavalry charge at Omdurman against the dervishes, the siege of Ladysmith in the Boer War.

And not once but twice, before the two Great Wars, he fought the most crucial and heartbreaking battle of all with his own countrymen; he had to plead and argue and flog them into arming themselves against deadly danger.

More than any one man, Churchill could claim a proud title: He was the enemy of Adolph Hitler. He stood against the monstrous indecency of Nazi Germany, rumbling anger and defiance and indomitable will. And his stern, splendid language led the Western World like a banner.

We feel grief at Churchill's passing, of course; we cannot help it. But there is no real cause for grief, unless it is for this world that has grown smaller now.

[From the Chicago Daily News, Jan. 25, 1965]

SIR WINSTON CHURCHILL

Death finally bested the indomitable little man whose mark lies more boldly than any other on our time. But Sir Winston Churchill had given so much of himself to history that the victory, when it came at last, had lost much of its meaning. The imprint had already hardened when Churchill, battered by two successive strokes, gave over the reins of government to Anthony Eden in 1955. It was, and will remain, a mighty imprint.

A man who rises by his own force to tower above his peers may often be a single-minded man, but he will never fall into an easily defined mold.

In the complex interworkings between the man and his times, certain salient characteristics will show through—the resiliency, the humor, the daring, the eloquence, and with Churchill above all, the stubbornness so deeply ingrained that it shaped the very contour of his jaw. But the whole somehow emerges greater than the sum of the parts.

It could not be said in this case that history largely made the man, because history did its persistent worst to destroy him. The great military academy of Sandhurst rebuffed young Churchill twice, and on the third desperate try he crashed the academic gate. The Boers captured him and when he escaped, put a price on his head, but he hid out for days in an old mine and finally made his way to freedom.

His own people rejected him time and again—the Gallipoli disaster was laid to his mishandling as First Lord of the Admiralty, and he was banished to a niche so obscure that he took to painting as a relief from the boredom.

It was such first-rate painting that one of his works was later hung in the Royal Gallery.

His incessant oratory against the rising menace of nazism was scorned ("We have sustained a total and unmitigated defeat," he roared after Munich) until Hitler sent his panzers into Poland in September of 1939. Then he won his old Admiralty post back, and when the war was nearing its lowest ebb, and there was no one else to turn to, the King summoned him to be Prime Minister on May 10, 1940.

No one could have known how apt was the choice, until 3 days later Parliament heard words that shaped history in their very saying:

"I have nothing to offer but blood, toil, sweat and tears. You ask what is our policy? I will say it is to wage war—by sea, land and air, with all our might and with all the strength that God can give us; to wage war against a monstrous tyranny never surpassed in the dark lamentable catalog of human crimes. That is our policy."

Stubbornness, a zestful, almost insolent daring—and humor; these, more than any genius, were what Britain needed, and what Churchill provided. When Dunkirk fell he delivered his solemn, stirring address: "We shall go on to the end; we shall fight in France, we shall fight on the beaches, we shall fight in the fields, in the streets, in the hills." And at the end put his hand over the microphone and muttered: "And we shall hit them over the heads with beer bottles, which is all we really have got."

His memorable tribute to the Royal Air Force after the Battle of Britain was well deserved—but seldom, too, had so many owed so much to a single man.

Cast aside once again when the war was won, the old campaigner returned with undiminished zeal to his writing, to emerge,

for his final triumph, to public life in 1951 when, at 76, he regained the premiership in his own right. When he stepped down 4 years later, it was by his own wish.

Churchill lived, wrote, and guided history—but so have many great men. What is unique with Churchill, Lincoln and their kind is that in gaining a world's respect they also won its love. As long as there is a Britain, that love will endure for the square-jawed little man with the bowler hat, the cigar and the twinkling eye, who lifted a great people to their finest hour.

Winston Churchill's greatness was in large part seen in his personal courage and the inspiration he gave to his countrymen and people throughout the free world. His heroic leadership of the British people during World War II, coupled with his statesmanlike qualities in recognizing the postwar designs of international communism, were outstanding high points of his career.

The free world has lost a great leader, but he has left a rich and inspiring history that will continue to be a source of strength and inspiration to us.

SUPPLEMENTAL AGRICULTURE APPROPRIATIONS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. OTTINGER] is recognized for 30 minutes.

Mr. OTTINGER. Mr. Speaker, I voted today against an amendment which would hamstring the President in his conduct of foreign policy with respect to the United Arab Republic.

The amendment provides that no funds for surplus food distribution under the supplemental agricultural appropriation bill shall go to the United Arab Republic.

This was not a vote by any means favoring the United Arab Republic or Mr. Nasser, but a vote for giving the President and Secretary of State the flexibility they need for the conduct of our foreign policy. The Constitution places this responsibility with the Executive and this is the only way foreign policy operations can be intelligently exercised.

Broad policy guidelines can be properly established by Congress, setting forth the basic principles upon which our foreign relations should be conducted, but Congress is not the body to decide that we should adopt this or that tactic here or there, stop assistance as a snub to such-and-such a leader, and so forth. Congress, in addition to lacking the constitutional authority for such conduct of foreign affairs, lacks the detailed knowledge of the complex situations in the many countries with which we deal, and lacks the diplomatic expertise to exercise the function of policy conduct intelligently. Once again, the framers of the Constitution demonstrate their far-sighted wisdom.

Now, if I were the State Department and were charged with this decision, based on my present knowledge, I certainly would not be giving aid of any kind to Mr. Nasser. I deplore his entry into the Congo to aid the disruptive and savage rebels there. I deplore his expressed contempt for the United States

and its assistance. I deplore his permitting wanton destruction of U.S. property without lifting a finger to protect our legitimate rights. I deplore his bellicose actions and attitudes toward Israel and the Jews, including our own Jewish people, of whom I am one.

Nasser's contemptible actions and attitudes, his destructive leadership of the Arab world, more than justify our refusing to give him any kind of aid or comfort. Indeed, we subject ourselves to criticism as being soft and soft-headed for continuing aid to Nasser under these conditions, though this harsh assessment is far beyond that enunciated by the Government of Israel. The Israeli Ambassador to the United States stated his country's position as being for aid to the Arab people in a recent speech, stating:

We in Israel are not an anti-Arab country, and we never will be. We recognize not just the existence of the Arab States, but the legitimacy of their existence. We are not against the development of the Arab States. We think it is right that they should seek to develop the status and the level of their peoples, just as we in Israel seek to develop and expand the horizons of opportunity for our own people. Thus, we never objected to their getting help for economic development. The real issue, however, lies elsewhere.

Still, I would not have Congress void the President's constitutional power and tie the President's hands under the ruse of its power over appropriations. Let the President decide and take the consequences if his decision is incorrect. The people of the United States have just elected him with an unparalleled vote of confidence. I have confidence that his decision would be right and just.

There may be factors in the administration's decision on such a matter as this that we as Congressmen or the public do not know and cannot be told. How do we know that this assistance is not vital in some arrangement the administration is negotiating with Nasser to get him to mend some of his horrendous actions and attitudes? How do we know that if this assistance is denied, Nasser does not have a commitment to receive it from the Communists or that denial would not drive Nasser more irrevocably into the Communist camp? How do we know that this assistance may not be playing a key role in preventing Nasser from taking some action still more detrimental to our interests than those he has already taken? These are the kinds of questions the Congress is not competent to answer—the kind of action with which our 435 nonexperts are simply not qualified to deal.

The action taken today by the House is just one more instance of destructive congressional interference in foreign policy conduct, depriving the President unconstitutionally of the power delegated to him, and which he must have to intelligently and ably conduct our foreign affairs.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EDWARDS of Alabama (at the request of Mr. GERALD R. FORD), beginning tomorrow, January 27, for a period of 10 days on account of official business with Committee on Merchant Marine and Fisheries.

Mr. HARSHA (at the request of Mr. ARENDS), for today, on account of illness.

Mr. MURPHY of New York (at the request of Mr. FARBERSTEIN), for January 26 through February 10, 1965, on account of official business.

Mr. HANNA (at the request of Mr. BOGGS), for balance of week, on account of official business.

Mr. FLYNT (at the request of Mr. HAGEN of California), for today, on account of official business.

Mr. DOWNING (at the request of Mr. FOUNTAIN), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LINDSAY (at the request of Mr. DEL CLAWSON), for 1 hour, on January 27, and to revise and extend his remarks and include extraneous matter.

Mr. HALPERN (at the request of Mr. DEL CLAWSON), for 5 minutes, today.

Mr. SAYLOR (at the request of Mr. DEL CLAWSON), for 15 minutes, on Thursday, January 28.

Mr. BERRY (at the request of Mr. DEL CLAWSON), for 15 minutes, today.

Mr. OTTINGER (at the request of Mr. EVANS of Colorado), for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. ZAPLOCKI in two instances and to include extraneous matter.

Mr. MONAGAN and to include extraneous matter.

Mr. CELLER and to include a statement, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost \$425.

Mr. HERLONG and to include an article, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost \$1,004.50.

Mr. HALL and to include extraneous matter.

Mr. GROSS to revise and extend his remarks prior to the vote on the amendment offered by Mr. MICHEL.

Mr. PHILBIN to revise and extend his remarks in seven instances.

Mr. BYRNE of Pennsylvania (at the request of Mr. EVANS of Colorado) to extend his remarks on Ukrainian Independence Day in the Appendix of today's RECORD and that they appear in the permanent RECORD of January 25, 1965, during the special order of the gentleman from Pennsylvania [Mr. FLOOD].

(The following Members (at the request of Mr. DEL CLAWSON) and to include extraneous matter:)

Mr. DAGUE.

Mr. HUTCHINSON.

Mr. NELSEN in three instances.

Mr. CHAMBERLAIN in three instances.

Mr. YOUNGER.

Mr. WIDNALL in two instances.

Mr. BOB WILSON in three instances.

Mr. KUNKEL.

Mr. MCCLORY.

Mr. TEAGUE of California.

Mr. ELLSWORTH.

Mrs. MAY.

Mr. DERWINSKI.

(The following Members (at the request of Mr. EVANS of Colorado) and to include extraneous matter:)

Mr. PURCELL.

Mrs. SULLIVAN in two instances.

Mr. MARSH.

Mr. BRADEMANS in two instances.

Mr. DINGELL.

Mr. McDOWELL.

Mr. FARBERSTEIN in three instances.

Mr. MULTER in three instances.

Mr. DOW.

Mr. SCHMIDHAUSER in two instances.

Mr. GONZALEZ.

Mr. WRIGHT.

Mr. PATMAN in four instances.

Mrs. GRIFFITHS.

Mr. EDWARDS of California in six instances.

Mr. BANDSTRA.

Mr. DIGGS.

Mr. BECKWORTH.

Mr. MOORHEAD in six instances.

Mr. PEPPER in two instances.

ADJOURNMENT

Mr. EVANS of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, January 27, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

425. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the report of the proceedings of a special meeting of the Judicial Conference of the United States, held at Washington, D.C., January 13, 1965, pursuant to title 28, United States Code, section 331 (H. Doc. No. 62); to the Committee on the Judiciary and ordered to be printed.

426. A letter from the Assistant Secretary of the Interior, transmitting a report on soil survey and land classification of the lands in the Oroville-Tonasket unit, Chief Joseph Dam, Wash., pursuant to Public Law 83-172; to the Committee on Appropriations.

427. A letter from the Secretary of the Air Force, transmitting a report of the Secretary on the progress of the ROTC flight training program for the period August 1, 1963, to November 30, 1964, pursuant to Public Law 84-879 and section 2110(b) of title 10, United States Code; to the Committee on Armed Services.

428. A letter from the Comptroller General of the United States, transmitting a report

on unnecessary costs resulting from leasing rather than purchasing electronic data processing equipment at Mare Island Naval Shipyard, Vallejo, Calif., Department of the Navy; to the Committee on Government Operations.

429. A letter from the Comptroller General of the United States, transmitting a report on wage rates for federally financed building construction improperly determined in excess of the prevailing rates for similar work in New England areas, Department of Labor; to the Committee on Government Operations.

430. A letter from the Chairman, Interstate Commerce Commission, transmitting a copy of the 78th annual report on the activities of the Commission for fiscal year ended June 30, 1964; to the Committee on Interstate and Foreign Commerce.

431. A letter from the secretary-treasurer, Congressional Medal of Honor Society, United States of America, transmitting the annual audit report of the society for the calendar year 1964, pursuant to Public Law 88-504; to the Committee on the Judiciary.

432. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on the disposition of four GS-17 positions allocated to the agency, pursuant to section 1105a of title 5 of the United States Code; to the Committee on Post Office and Civil Service.

433. A letter from the Deputy Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes"; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. House Joint Resolution 234. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1945, for certain activities of the Department of Agriculture, and for other purposes; without amendment (Rept. No. 2). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 3576. A bill to implement further the constitutional right to bail by authorizing in appropriate cases the release of a personal recognizance of persons otherwise eligible for bail; to the Committee on the Judiciary.

H.R. 3577. A bill to assure that convicted persons will receive credit toward service of their sentences for time spent in custody for lack of bail; to the Committee on the Judiciary.

H.R. 3578. A bill to further implement the constitutional right to bail by permitting persons admitted to bail to make a cash deposit with the court in lieu of providing securities or other collateral security; to the Committee on the Judiciary.

By Mr. BATES:

H.R. 3579. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 3580. A bill to remove the excise tax on musical instruments, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE:

H.R. 3581. A bill to amend title 18 of the United States Code to provide for the greater protection of the President and the Vice President of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 3582. A bill to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. CONYERS:

H.R. 3583. A bill to provide a hospital insurance program for the aged under social security, to amend the Federal old-age, survivors, and disability insurance system to increase benefits, improve the actuarial status of the disability insurance trust fund, and extend coverage, to amend the Social Security Act to provide additional Federal financial participation in the Federal-State public assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 3584. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

H.R. 3585. A bill to establish a system of loan insurance to assist students to attend institutions of higher education and post-secondary vocational schools; to the Committee on Education and Labor.

By Mr. EDWARDS of California:

H.R. 3586. A bill to repeal section 14(b) of the National Labor Relations Act, as amended, and section 705(b) of the Labor-Management Reporting and Disclosure Act of 1959 and to amend the first proviso of section 8(a)(3) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

H.R. 3587. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the San Felipe division, Central Valley project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3588. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 3589. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

By Mr. FARBSTEIN:

H.R. 3590. A bill to provide a hospital insurance program for the aged under social security, to amend the Federal old-age, survivors, and disability insurance system to increase benefits, improve the actuarial status of the disability insurance trust fund, and extend coverage, to amend the Social Security Act to provide additional Federal financial participation in the Federal-State public assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. FINO:

H.R. 3591. A bill to amend the Internal Revenue Code of 1954 to reduce from 65 to 62 the age at which the additional exemption on account of age becomes allowable; to the Committee on Ways and Means.

By Mr. FRIEDEL:

H.R. 3592. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 3593. A bill to require the expenditure of 35 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards; to the Committee on Armed Services.

By Mr. GIAIMO:

H.R. 3594. A bill to fix certain fees payable to the Commissioner of Patents, and for other purposes; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 3595. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. HANSEN of Washington:

H.R. 3596. A bill to provide for the disposition of judgment funds on deposit to the credit of the Skokomish Tribe of Indians; to the Committee on Interior and Insular Affairs.

By Mr. HOLIFIELD (by request):

H.R. 3597. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. IRWIN:

H.R. 3598. A bill to authorize the sale, without regard to the 6-month waiting period prescribed, of zinc proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

H.R. 3599. A bill to authorize the temporary release of 100,000 short tons of copper from the national stockpile; to the Committee on Armed Services.

By Mr. McCLODY:

H.R. 3600. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

By Mr. MACGREGOR:

H.R. 3601. A bill to require the establishment, on the basis of the 19th and subsequent decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. MOELLER:

H.R. 3602. A bill to amend title II of the Social Security Act to increase to \$2,400 the annual amount individuals are permitted to earn without suffering deduction from the monthly insurance benefits payable to them under such title; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 3603. A bill to increase to 15 percent the night duty differential of postal field service employees; to the Committee on Post Office and Civil Service.

H.R. 3604. A bill to amend the Natural Gas Act in order to exclude from the definition of interstate commerce for the purposes of such act commerce directly between any point in a State and any point on the Outer Continental Shelf and commerce between points in the same State through such Continental Shelf; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 3605. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

89TH CONGRESS
1ST SESSION

H. J. RES. 234

IN THE SENATE OF THE UNITED STATES

JANUARY 27, 1965

Read twice and referred to the Committee on Appropriations

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1965, namely:

6 DEPARTMENT OF AGRICULTURE

7 COMMODITY CREDIT CORPORATION

8 REIMBURSEMENT FOR NET REALIZED LOSSES

9 For an additional amount to reimburse the Commodity
10 Credit Corporation for unreimbursed net realized losses sus-

1 tained during the fiscal year 1963, pursuant to the Act of
2 August 17, 1961 (15 U.S.C. 713a-11, 713a-12),
3 \$1,100,000,000.

4 PUBLIC LAW 480

5 For an additional amount for expenses during the fiscal
6 year 1965, not otherwise recoverable, and unrecovered prior
7 years' costs, including interest thereon, under the Agricul-
8 tural Trade Development and Assistance Act of 1954, as
9 amended (7 U.S.C. 1701-1709, 1731-1736), to remain
10 available until expended, as follows: (1) Sale of surplus
11 agricultural commodities for foreign currencies pursuant to
12 title I of said Act, \$250,000,000; and (2) long-term supply
13 contracts pursuant to title IV of said Act, \$200,000,000:
14 *Provided*, That no part of this appropriation shall be used
15 during the fiscal year 1965 to finance the export of any agri-
16 cultural commodity to the United Arab Republic under the
17 provisions of title I of such Act.

18 INTERNATIONAL WHEAT AGREEMENT

19 For an additional amount for expenses during fiscal year
20 1965 and unrecovered prior years' costs, including interest
21 thereon, under the International Wheat Agreement Act of

- 1 1949, as amended (7 U.S.C. 1641-1642), \$50,000,000,
- 2 to remain available until expended.

Passed the House of Representatives January 26, 1965.

Attest:

RALPH R. ROBERTS.

Clerk.

89TH CONGRESS
1ST SESSION

H. J. RES. 234

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

JANUARY 27, 1965

Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued February 2, 1965
For actions of February 1, 1965
89th-1st.; No. 21

CONTENTS

Alaska.....	17	Foreign aid.....	2,4,32	Personnel.....	26
Appalachia.....	1	Foreign trade.....	7	Price supports.....	25
Appropriations.....	2,30	Forests.....	15,26,34	Public Law 480.....	2,4
Budget.....	21	FS.....	10	Recreation.....	13
Civil service.....	8	Government operations....	8	Research.....	36
Coffee.....	3,9	Intergovernmental		Retirement.....	26
Committee investigations.	8	relations.....	8,18	Roads.....	15
Committees.....	11,16	Labeling.....	28	Rural areas.....	10
Communications.....	12	Lands.....	40	SCS.....	10
Corn.....	25	Legislative program.....	9	Supplemental	
Cultural exchange.....	5	Marketing orders.....	39	appropriations.....	2
Disaster relief.....	33,38	Migratory waterfowl.....	42	Surplus property.....	35
Economic growth.....	36	Milk.....	37	Taxes.....	12,43
Education.....	14,20,31	Monopolies.....	8	Textiles.....	19
Electrification.....	44	National park.....	41	Tobacco.....	28
Farm income.....	22	Natural resources.....	45	Trade.....	7,27
Farm labor.....	24	Nomination.....	6	Watersheds.....	23
Feed grain.....	38	OEP.....	6	Wildlife.....	42
Flood relief.....	33	Onions.....	39	Wool.....	29

HIGHLIGHTS: See page 6

SENATE

1. APPALACHIA. By a vote of 62 to 22, passed with amendments S. 3, the Appalachia bill (pp. 1638-55, 1657, 1658-70, 1672-82). Sen. Byrd, W. Va., inserted a section-by-section analysis of the bill as passed (pp. 1722-5).

Agreed to the following amendments:

By Sen. Lausche, to provide that no funds may be used to restore private coal lands ruined by strip mining, pending completion of a study of the problem. pp. 1658-60

By Sen. Kennedy, N. Y., as modified by an amendment by Sen. Javits, to provide that the Appalachian Regional Commission is authorized to study and consider the inclusion in the program of such counties of N. Y. as are contiguous to the Appalachian region. pp. 1662-4

By Sen. Long, La., to provide for making available to the public any patents made possible by discoveries resulting from the use of Government research funds under the program. pp. 1668-70

Rejected the following amendments:

By Sen. Hruska, 28 to 56, to strike out provisions of the bill authorizing the Secretary of Agriculture to make grants to landowners to assist in land stabilization, erosion, and sediment control activities. pp. 1674-80

By Sen. McClellan, to include the Ozark region under the provisions of the bill. pp. 1665-8

By Sen. Miller, to provide that assistance under the bill may not be furnished to any country in the region which does not meet the requirements of a distressed area under criteria specified in the Area Redevelopment Act. pp. 1673-4

2. APPROPRIATIONS. The Appropriations Committee reported with amendments H. J. Res. 234, providing supplemental appropriations for this Department (S. Rept. 52) (p. 1683). Sen. Holland submitted notices of intention to move to suspend the rules for purposes of offering two amendments to this measure (p. 1713). The "Daily Digest" states that the Committee adopted an amendment providing that no part of the appropriation shall be used during fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under title I of Public Law 480 "except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest". (p. D57). Attached to this Digest is a summary of actions of the Committee.

3. COFFEE. The Finance Committee reported with amendments S. 701, to carry out U. S. obligations under the International Coffee Agreement (S. Rept. 53). p. 1685

4. FOREIGN AID. Sen. Javits stated that the President "should make a declaration that we will not aid the United Arab Republic so long as it torpedoes the cause of world peace and the foreign policy of the United States," and that unless he did the Senate had no alternative but to follow the House action terminating sales of agricultural commodities to the UAR under title I of Public Law 480. pp. 1657-8

5. CULTURAL EXCHANGE. Both Houses received from the President a report on the international cultural exchange program for fiscal year 1963. pp. 1591, 1635

6. NOMINATION. Received the nomination of Buford Ellington to be Director of the Office of Emergency Planning. p. 1741

7. FOREIGN TRADE. Sen. Bennett expressed concern over the continued outflow of gold from the U. S. and urged that steps be taken to expand exports, reduce tariff and nontariff barriers to the sale of U. S. goods, and reduce the foreign aid program. pp. 1718-20

8. COMMITTEE INVESTIGATIONS. The Rules and Administration Committee reported the following resolutions authorizing committee studies and investigations: pp. 1683-4

S. Res. 13, without amendment, authorizing studies by the Post Office and Civil Service Committee (S. Rept. 24).

UNITED STATES DEPARTMENT OF AGRICULTURE

1965 Supplemental Appropriations Included in H. J. Res. 234

<u>Item</u>	<u>Budget Estimates</u>	<u>House Action</u>	<u>Senate Committee Bill</u>
Commodity Credit Corporation:			
Reimbursement for net realized losses	\$1,180,853,000	\$1,100,000,000	\$1,100,000,000
Public Law 480:			
Sale of surplus agricultural commodities for foreign currencies (Title I)	273,000,000	250,000,000	250,000,000
Long-term supply contracts (Title IV)	233,400,000	200,000,000	200,000,000
International Wheat Agreement	<u>54,956,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Total	<u>1,742,209,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>

In addition, the Committee included provisions as follows:

1. A proviso forbidding the use of Public Law 480 funds during fiscal year 1965 to finance the export under title I of any agricultural commodity to the United Arab Republic except when such exports are necessary to carry out the October 1962 sales agreement and if the President determines that the financing of such exports is in the national interest;
2. A proviso precluding the Department from proceeding to eliminate certain lines of research and to close our certain research stations until after Congress has considered and acted upon such plans; and
3. A proviso authorizing the use of available funds of the Agricultural Research Service for the installation of temperature and humidity control equipment at the Metabolism and Radiation Laboratory, Fargo, N. Dak.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE, 1965

FEBRUARY 1 (legislative day, JANUARY 29), 1965.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.J. Res. 234]

The Committee on Appropriations, to whom was referred House Joint Resolution 234, making supplemental appropriations for the Department of Agriculture for the fiscal year 1965, and for other purposes, report the same to the Senate with amendment with the recommendation that the joint resolution as amended be passed.

The committee recommends supplemental appropriations for the Department of Agriculture for the fiscal year 1965 totaling \$1,600,000,000. The total amount recommended is \$142,209,000 under the supplemental estimates transmitted in House Document 59 and is the same amount approved by the House.

The committee recommends an appropriation of \$1,100,000,000 to complete the restoration of unreimbursed losses to the Commodity Credit Corporation for fiscal 1962 of \$100,000,000, and to provide an additional \$1,000,000,000 of reimbursement appropriations for unreimbursed losses sustained in fiscal 1963. The total net realized losses sustained by the Commodity Credit Corporation in the conduct of mandatory price support and related farm programs for fiscal 1963 amounted to \$2,654,853,000 and of this amount \$1,574,000,000 was appropriated to reimburse the Commodity Credit Corporation in the regular Agricultural Appropriation Act for 1965. That amount, together with the \$1,000,000,000 recommended in this resolution, restores all of the capital impairment for fiscal 1963, except for \$80,853,000.

The need for this supplemental appropriation of \$1,100,000,000 results in part from the failure of the executive branch to request full restoration of net realized losses pursuant to Public Law 85-155, approved August 17, 1961, which authorizes appropriations to reimburse for such realized net losses as reflected on the accounts of the Corporation, as shown in its financial statement at the close of each

fiscal year. In addition, the Congress has not always provided the full amount of partial restoration estimates submitted by the Department; and this procedure of attempting to provide sufficient funds on an estimated basis to enable the Commodity Credit Corporation to discharge all its mandatory operations has led to the need for this supplemental appropriation in the middle of fiscal year 1965. The committee strongly urges the Department to amend the budget for fiscal 1966 to request the full losses sustained in fiscal year 1964, and expects that in future budgets, the full amount of all unreimbursed losses for prior fiscal years, as finally determined, will be requested, including the \$1,057,000,000 of unreimbursed losses sustained in fiscal 1961 as a result of revaluation of the inventory.

The committee has included in the resolution under this appropriation head two provisions dealing with agricultural research. The first proviso will preclude the Department of Agriculture from proceeding to eliminate certain lines of research and to close out research stations which were in the announcement by the Secretary of Agriculture in his press release of last December 31. The committee believes that no formal action to close out the research announced by the Secretary should be taken until the committees of both Houses of Congress have acted upon these proposals to eliminate research in conjunction with its consideration of the regular agricultural appropriation bill for 1966. The second provision would authorize the use of available funds to provide for the installation of urgently needed temperature and humidity control equipment for the Metabolism and Radiation Laboratory recently constructed at Fargo, N. Dak. The provision increases the limitation in the regular Agricultural Appropriation Act for renovation and alteration of research facilities and does not provide any additional appropriation since funds already made available will be used to carry out this urgently needed alteration in connection with the new facility.

PUBLIC LAW 480

The committee has considered the supplemental estimates transmitted in House Document 59 for Public Law 480, and recommends an additional appropriation of \$250,000,000, for sales of commodities for foreign currencies authorized by title I of Public Law 480. This is a reduction of \$23,000,000 under the amount of the supplemental estimate and is the same amount as approved by the House. The Department did not request restoration of the House reduction. The supplemental appropriation recommended, together with \$1,612,000,000 appropriated in the regular appropriation act, will make a total of \$1,862,000,000 available in fiscal 1965 for financing expenses and costs incurred in the sale of agricultural commodities for foreign currencies.

A supplemental appropriation of \$233,400,000 was proposed for financing the expenses under title IV, which authorizes long-term supply contracts for the purchase of commodities. The House reduced the supplemental estimate to \$200,000,000, a reduction of \$33,400,000, and no restoration of the budget estimate was requested by the Department. The committee concurs in the amount approved by the House, which together with the \$35,000,000 already appropriated, makes a total available in fiscal 1965 of \$235,000,000.

The supplemental appropriation is recommended to provide for increased expenses in the current year and to enable the Department

to move in the direction of placing this program on a "pay-as-you-go" basis, and thereby further relieve the obligations against the borrowing authority of the Commodity Credit Corporation for conduct of its mandatory farm program operations. Future appropriation requests for expenses of this program will be estimated on a more current basis, and as repayments of outstanding contracts are received, they will be applied against the yearly costs, and future appropriation estimates will be based upon gross annual program costs less the receipts from repayments under outstanding contracts.

As the resolution passed the House, it carried a limitation in regard to the export of agricultural commodities to the United Arab Republic. The committee recommends that the provision inserted in the House be stricken from the resolution. The text of the language stricken reads as follows:

: Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act.

In lieu of the language stricken, the committee recommends the inclusion in the resolution of the following provision:

: Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest.

It is further the policy of Congress that most careful consideration should be given by the responsible agencies of our Government concerning the continued provision of assistance under this act to countries that are, directly or indirectly, hostile to the United States or that are providing assistance to groups or countries that are acting against the best interests of the United States.

In exercising said provisions of assistance, the Congress emphasizes that said assistance is contributed by the people of the United States of America out of taxes paid by them; and it is not conducive for them to want to continue said assistance to countries which permit the property of the United States of America to be destroyed and whose leaders make statements derogatory of our country.

INTERNATIONAL WHEAT AGREEMENT

The committee recommends an additional appropriation for expenses of the International Wheat Agreement in the amount of \$50,000,000. This amount, together with the sum of \$31,838,000 carried in the regular Agricultural Appropriation Act, makes the total available during this fiscal year of \$81,838,000. The amount recommended is \$4,956,000 under the supplemental estimate and is the same amount as carried in the House bill. The additional appropriation is necessary to meet the expenses resulting from increased volume in wheat support payments for 1965 and to cover additional unrecovered expenses for 1964 program costs.

Calendar No. 51

89TH CONGRESS
1ST SESSION

H. J. RES. 234

[Report No. 52]

IN THE SENATE OF THE UNITED STATES

JANUARY 27, 1965

Read twice and referred to the Committee on Appropriations

FEBRUARY 1 (legislative day, JANUARY 29), 1965

Reported by Mr. HOLLAND, with amendments

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1965, namely:

6 DEPARTMENT OF AGRICULTURE

7 COMMODITY CREDIT CORPORATION

8 REIMBURSEMENT FOR NET REALIZED LOSSES

9 For an additional amount to reimburse the Commodity
10 Credit Corporation for unreimbursed net realized losses sus-

1 tained during the fiscal year 1963, pursuant to the Act of
2 August 17, 1961 (15 U.S.C. 713a-11, 713a-12),
3 \$1,100,000,000: *Provided, That none of the funds appro-*
4 *priated under Public Law 88-573, approved September 2,*
5 *1964, shall be used to formulate or administer a program*
6 *to eliminate agricultural research stations or lines of research*
7 *until after the Congress has considered and acted upon such*
8 *plans for the elimination of research in its regular consider-*
9 *ation of the research appropriation estimates for fiscal 1966:*
10 *Provided further, That not more than \$220,000 of the funds*
11 *appropriated for "Salaries and Expenses, Research, Agri-*
12 *cultural Research Service" in the Department of Agriculture*
13 *and Related Agencies Appropriation Act, 1965 (78 Stat.*
14 *862), shall be available until expended, without regard to*
15 *any limitations included in that Act, for alterations neces-*
16 *sary in connection with the installation of temperature and*
17 *humidity control equipment for the Metabolism and Radia-*
18 *tion Laboratory, Fargo, North Dakota.*

19 PUBLIC LAW 480

20 For an additional amount for expenses during the fiscal
21 year 1965, not otherwise recoverable, and unrecovered prior
22 years' costs, including interest thereon, under the Agricul-
23 tural Trade Development and Assistance Act of 1954, as
24 amended (7 U.S.C. 1701-1709, 1731-1736), to remain
25 available until expended, as follows: (1) Sale of surplus

1 agricultural commodities for foreign currencies pursuant to
2 title I of said Act, \$250,000,000; and (2) long-term supply
3 contracts pursuant to title IV of said Act, \$200,000,000:
4 *Provided, That no part of this appropriation shall be used*
5 *during the fiscal year 1965 to finance the export of any agri-*
6 *cultural commodity to the United Arab Republic under the*
7 *provisions of title I of such Act: Provided, That no part of*
8 *this appropriation shall be used during the fiscal year 1965*
9 *to finance the export of any agricultural commodity to the*
10 *United Arab Republic under the provisions of title I of such*
11 *Act, except when such exports are necessary to carry out the*
12 *Sales Agreement entered into October 8, 1962, as amended,*
13 *and if the President determines that the financing of such*
14 *exports is in the national interest.*

15 INTERNATIONAL WHEAT AGREEMENT

16 For an additional amount for expenses during fiscal year
17 1965 and unrecovered prior years' costs, including interest
18 thereon, under the International Wheat Agreement Act of
19 1949, as amended (7 U.S.C. 1641-1642), \$50,000,000,
20 to remain available until expended.

Passed the House of Representatives January 26, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. J. RES. 234

[Report No. 52]

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

JANUARY 27, 1965

Read twice and referred to the Committee on Appropriations

FEBRUARY 1 (legislative day, JANUARY 29), 1965

Reported with amendments

H. J. RES. 234

IN THE SENATE OF THE UNITED STATES

FEBRUARY 1 (legislative day, JANUARY 29), 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.J. Res. 234, a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, viz:

1 On page 2, after line 3 after the amount, insert the follow-
2 ing: “: *Provided further*, That not more than \$220,000 of the
3 funds appropriated for ‘Salaries and expenses, research, Agri-
4 cultural Research Service’ in the Department of Agriculture
5 and Related Agencies Appropriation Act, 1965 (78 Stat.
6 862), shall be available until expended, without regard to
7 any limitations included in that Act, for alterations necessary
8 in connection with the installation of temperature and humid-
9 ity control equipment for the Metabolism and Radiation
10 Laboratory, Fargo, North Dakota.”

89TH CONGRESS
1ST Session

H. J. RES. 234

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H. J. Res. 234, a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

FEBRUARY 1 (legislative day, JANUARY 29), 1965
Ordered to lie on the table and to be printed

Calendar No. 51

89TH CONGRESS
1ST SESSION

H. J. RES. 234

IN THE SENATE OF THE UNITED STATES

FEBRUARY 1 (legislative day, JANUARY 29), 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.J. Res. 234, a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, viz: On page 2, after line 3, insert the following:

1 : *Provided*, That none of the funds appropriated under Public
2 Law 88-573, approved September 2, 1964, shall be used
3 to formulate or administer a program to eliminate agricul-
4 tural research stations or lines of research until after the
5 Congress has considered and acted upon such plans for the
6 elimination of research in its regular consideration of the
7 research appropriation estimates for fiscal 1966.

Amdt. No. 18

Amdt. No. 18

Calendar No. 51

89TH CONGRESS
1ST SESSION

H. J. RES. 234

AMENDMENT

Intended to be proposed by Mr. HORLAND to H.J. Res. 234, a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

FEBRUARY 1 (legislative day, JANUARY 29), 1965

Ordered to lie on the table and to be printed

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested by the Senator from Wisconsin.

The resolution (S. Res. 69) was referred to the Committee on Commerce, as follows:

S. Res. 69

Whereas the Federal Aviation Act recognizes that air transport is essential to economic progress, and hundreds of communities, with or without aid under the Federal Airport Act, have financed airports to keep their place in a growing nation; and

Whereas complaints as to lack of adequate airline service have been sent to Congress; and

Whereas cases before the Civil Aeronautics Board threaten the discontinuance of airline service at more than 100 points and there is narrow division within the Board between a policy of restriction and one of expanding service: Now, therefore, be it

Resolved, That the Committee on Commerce shall make a thorough review of the needs of airline service, to set a progressive national policy and recommend any necessary legislation; and

That it is the sense of the Senate that, pending the outcome of such review, airline service be maintained to all points now served, on a frequency not less than at present.

AMENDMENT OF CLEAN AIR ACT— AMENDMENTS (AMENDMENT NO. 13)

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (S. 306) to amend the Clean Air Act to require standards for controlling and emission of pollutants from gasoline-powered or diesel-powered vehicles, to establish a Federal Air Pollution Control Laboratory, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

EXTENSION OF EXPIRATION DATE OF PUBLIC HEALTH SERVICE ACT—AMENDMENTS (AMEND- MENT NO. 14)

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (S. 512) to amend the Public Health Service Act provisions for construction of health research facilities by extending the expiration date thereof and providing increased support for the program, to authorize additional Assistant Secretaries in the Department of Health, Education, and Welfare, and for other purposes, which were referred to the Committee on Labor and Public Welfare, and ordered to be printed.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—AMENDMENTS (AMENDMENT NO. 15)

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (S. 596) to amend the Public Health Service Act to assist in combating heart disease, cancer, and stroke, and other major diseases, which were referred to the Committee on Labor and Public Welfare, and ordered to be printed.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, TO PROVIDE FOR A PROGRAM OF GRANTS FOR ADE- QUATE MEDICAL LIBRARY SER- VICES—AMENDMENTS (AMEND- MENT NO. 16)

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (S. 597) to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities, which were referred to the Committee on Labor and Public Welfare, and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO SUPPLEMENTAL AGRICULTURAL APPROPRIATION JOINT RESO- LUTION

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, the following amendment, namely:

On page 2, after line 3 after the amount, insert the following: "Provided further, That not more than \$220,000 of the funds appropriated for 'Salaries and Expenses, Research, Agricultural Research Service' in the Department of Agriculture and Related Agencies Appropriation Act, 1965 (78 Stat. 862), shall be available until expended, without regard to any limitations included in that Act, for alterations necessary in connection with the installation of temperature and humidity control equipment for the Metabolism and Radiation Laboratory, Fargo, North Dakota."

Mr. HOLLAND also submitted an amendment (No. 17), intended to be proposed by him to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, and for other purposes, the following amendment, namely:

On page 2, after line 3, insert the following: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used to formulate or administer a program to eliminate agricultural research stations or lines of research until after the Congress has considered and acted upon such plans for the elimination of research in its regular consideration of the research appropriation estimates for fiscal 1966."

(Mr. HOLLAND also submitted an amendment (No. 18), intended to be proposed by him to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, which was ordered to lie on the table and to be printed.)

Mr. JAVITS. Mr. President, a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, do the votes on the notices which have just been sent up by the order of the Committee on Appropriations require a two-thirds vote?

The PRESIDING OFFICER. They do require a two-thirds vote.

Mr. JAVITS. I thank the Senator for yielding.

ADDITIONAL COSPONSOR TO S. 296

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the name of the Senator from New York [Mr. JAVITS] be added to S. 296, a bill which I introduced, seeking to bring about the temporary release of 100,000 short tons of copper from the national stockpile.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF SEN- ATE BILL 400

Mr. MCINTYRE. Mr. President, at its next printing, I ask unanimous consent that the name of the senior Senator from New York [Mr. JAVITS] be added as a cosponsor of the bill (S. 400) to authorize assistance under the Area Redevelopment Act for certain additional areas which has sustained, or are about to sustain, sudden and severe economic hardship.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills and resolution:

Authority of January 19, 1965:

S. 600. A bill to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education: Senators BARTLETT, BREWSTER, DOUGLAS, FONG, KENNEDY of Massachusetts, KENNEDY of New York, LONG of Missouri, MCCARTHY, McGOVERN, MONDALE, MOSS, MUSKIE, NEUBERGER, PROXMIRE, RIBICOFF, and WILLIAMS of New Jersey.

S. 610. A bill to increase the rates of compensation of the Chief Justice of the United States and of Associate Justices of the Supreme Court: Senators CHURCH, DOUGLAS, and HART.

Authority of January 26, 1965:

S. Res. 62. Resolution to print as a Senate document a compilation of material from speeches in the United States by Mr. Churchill: Senators BYRD of Virginia, FANNIN, KUCHEL, LONG of Missouri, and PRUTY.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its

Joint Committee on Immigration and Nationality Policy.—Representatives Celler, Feighan, Chelf, Poff, and Moore; and

U.S. Delegation of the Mexico-U.S. Interparliamentary Group.—Representatives Nix, McDowell, Wright, Johnson of California, Cameron, Slack, Gonzalez, Derwinski, Springer, Morse, Harvey, and Bell.

Pages 1591–1592

President's Message—Presidential Disability: Received and read a message from the President requesting enactment of constitutional amendment to remedy omission in the Constitution of provisions for (1) Presidential disability, (2) vacancy in the Office of Vice President, and (3) reform of the electoral college system. The message was referred to the Committee on the Judiciary and ordered printed as a House document (H. Doc. 89).

Pages 1589–1590

Annual Reports: The following annual reports were transmitted to Congress by the President:

Fourth Annual Report of United States Arms Control and Disarmament Agency for calendar year 1964.—Referred to the Committee on Foreign Affairs.

Annual Report on the International Cultural Exchange Program for fiscal year 1963.—Referred to the Committee on Foreign Affairs.

Page 1591

Bills Referred: Three Senate-passed bills were referred to appropriate committees.

Page 1618

Program for Tuesday: Adjourned at 2:12 p.m. until Tuesday, February 2, 1965, at 12 o'clock noon when the following bills will be called up and considered by unanimous-consent requests:

H.R. 203, to amend U.S. Code to set aside funds for research into spinal cord injuries and diseases;

H.R. 214, to repeal "Mustering-Out Payments" section of title 38, U.S. Code; and

H.R. 228, to increase compensation for certain service-connected disabled veterans.

Committee Meetings

ORGANIZATIONAL MEETING

Committee on Armed Services: Met for an organizational meeting and appointed the following chairmen and subcommittees:

Subcommittee No. 1, Philip J. Philbin;

Subcommittee No. 2, F. Edward Hébert;

Subcommittee No. 3, Melvin Price;

Subcommittee No. 4, O. C. Fisher;

Subcommittee for Special Investigations, Porter Hardy, Jr.;

Subcommittee on Central Intelligence Agency, L. Mendel Rivers; and

Subcommittee on Real Estate, Charles E. Bennett.

GOLD COVER

Committee on Banking and Currency: Held a hearing on legislation dealing with the removal of the "gold cover." Testimony was given by C. Douglas Dillon, Secretary of the Treasury; and William McChesney Martin, Chairman, Federal Reserve Board.

EDUCATION

Committee on Education and Labor: General Subcommittee on Education continued a hearing on H.R. 2361 and H.R. 2362, regarding the Elementary and Secondary Education Act of 1965. Testimony was given by public witnesses.

HIGHER EDUCATION

Committee on Education and Labor: Special Subcommittee on Education held a hearing on H.R. 3220 and H.R. 3221, the Higher Education Act of 1965. Testimony was given by the Secretary of Health, Education, and Welfare, Anthony Celebrezze; and Commissioner of the Office of Education, Francis Keppel.

PUBLIC LANDS

Committee on Interior and Insular Affairs: Subcommittee on Public Lands held a briefing with Charles Stoddard, Director, Bureau of Lands, and members of his staff.

NATIONAL PARKS

Committee on Interior and Insular Affairs: Subcommittee on National Parks held a briefing with members of the Department of the Army.

SOCIAL SECURITY ACT

Committee on Ways and Means: Met in executive session regarding hospitalization benefits, changes in social security.

COMMITTEE MEETINGS FOR TUESDAY, FEBRUARY 2

(All meetings are open unless otherwise designated)

Senate

Committee on Banking and Currency: to begin hearings on S. 743 and S. 797, relating to gold reserve requirements, 10 a.m., 5302 New Senate Office Building.

Committee on Commerce, executive, on committee business, 10 a.m., 5110 New Senate Office Building.

Committee on Foreign Relations, on the nominations of Maurice Bernbaum, to be Ambassador to Venezuela, and Wymberly Koerr, to be Ambassador to Ecuador, to be followed by executive session to consider these nominations, 10:30 a.m., room S-116, Capitol.

Committee on Labor and Public Welfare, Subcommittee on Education, on S. 370, to improve the quality of elementary and secondary schools in the U.S., 10 a.m., 4232 New Senate Office Building.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued February 3, 1965
For actions of February 2, 1965
89th-1st; No. 22

CONTENTS

Air pollution.....15	FCIC.....14	Recreation.....37
Alaskan waters.....32	Food marketing.....12	Reports.....14,15
Appalachia.....29	Foreign agriculture.....3	Research.....31,34
Appropriations.....2,11	Foreign aid.....17,22,25	Retirement.....26
Awards.....36	Foreign trade.....28	Roads.....6
Civil service.....18	Forests.....6,35	Small business.....16
Coffee.....1	Information.....9	Supplemental
Committee assignments....5	Lands.....33	appropriations.....2,11
Committee	Legislative program....11	Tariff.....30
investigations.....18	Monopolies.....10	Textiles.....21
Cooperatives.....20	Pay.....8	Transportation.....7
Credit banks.....27	Personnel.....8,26	Wheat.....23
Crop measurement.....13	Pesticides.....24	Wildlife.....24
Electrification.....20	Public Law 480.....2,22	
Farm program.....4,19	Public works.....29	

HIGHLIGHTS: Senate passed bill to implement International Coffee Agreement. Sen. Tower submitted amendment to USDA supplemental appropriation bill to restore House language curtailing Public Law 480 sales to UAR. Sen. Mundt commended USDA foreign agricultural training activities. House members to the National Commission on Food Marketing were appointed. Sen. Young, et al, and Rep. Andrews introduced and discussed bills to provide voluntary wheat domestic parity program. Sen. Williams, N. J., introduced and discussed bill to strengthen and improve soil conservation programs. Sen. Bennett introduced and discussed bill to provide survey in national forests along Wasatch Front area, Utah.

SENATE

1. COFFEE. By a vote of 56 to 23, passed as reported S. 701, to authorize the President to carry out U. S. obligations under the International Coffee Agreement until Oct. 1, 1968, or until the Congress by concurrent resolution determines that an unwarranted increase in the price of coffee has occurred. Sen. Long, La., stated that the bill authorizes the President to prohibit importation of coffee from other member nations unless accompanied by a certificate of origin or by a certificate of reexport, and permits the President to limit importation of coffee from producing countries that are not members of the Coffee Organization. pp. 1793-4, 1795-9, 1801-5
2. APPROPRIATIONS. H. J. Res. 234, the USDA supplemental appropriation bill, was made the unfinished business (pp. 1805-6). Sen. Tower submitted an amendment intended to be proposed to this bill to "restore language placed in the resolution by the other body which curtails export of agricultural commodities to the United Arab Republic" (p. 1772). Sens. Holland, Mundt, and Miller submitted notices of intention to move to suspend the rules for purposes of offering amendments to the bill (pp. 1772, 1809-10).
3. FOREIGN AGRICULTURE. Sen. Mundt commended the foreign agricultural training activities of this Department as a means of easing "international tensions by easing economic distress," and inserted excerpts from the annual report of the foreign agricultural training division reviewing training activities. pp. 1773-4
4. FARM PROGRAM. Sen. Long, Mo., inserted a letter from a constituent "making a particularly impressive presentation of the problems facing farmers in the Midwest and throughout the Nation." p. 1778
5. COMMITTEE ASSIGNMENTS. The Commerce Committee announced the establishment of and appointment of membership to the following subcommittees: p. D63
Surface Transportation: Sens. Lausche (chairman), Hartke, McGee, Cannon, Neuberger, Bass, Morton, Pearson, and Dominick.
To Study Textile Industry: Sens. Pastore (chairman), McGee, and Cotton.
Freight Car Shortage: Sens. Magnuson (chairman), Monroney, McGee, Pearson, and Dominick.
6. ROADS. Received an Idaho Legislature resolution urging "completion of an adequate transportation system on the main roads of national forests and public domain." p. 1744
7. TRANSPORTATION. The Commerce Committee reported an original resolution, S. Res. 76, to authorize the Commerce Committee to make certain studies, including interstate commerce and transportation matters. p. 1745
8. PERSONNEL; PAY. Received the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal employment and pay for Dec. 1964. pp. 1745-9
9. INFORMATION. Sen. Long, Mo., inserted an address by Sen. Anderson making "a very strong and moving plea for new legislation on freedom of information." pp. 1775-8
10. MONOPOLIES. Sen. Dirksen inserted extracts from an address by Sen. Hruska on antitrust policy, "A Forecast of Antitrust Policy Regarding Economic Concentration." pp. 1778-81

fifth of the votes. More importantly, we must persuade two-thirds of the producing nations to absorb the financial loss involved if prices should be reduced.

Our first effort to increase quotas under the coffee agreement was a dismal failure. Our next effort, which occurred after Congress threatened not to approve the implementing legislation (rather than as a result of persuasion), did result in increased coffee quotas, but the increase was not sufficient to halt the upward thrust of retail coffee prices.

We call attention to the fact that a 500,000-bag increase in the quota for 1965, which was scheduled to occur on January 8, failed to go into effect, and now we are under substantial pressure by exporting countries to reduce the 1965 quota by about 2 million bags. The Council has not yet acted to reduce the quotas, possibly because of the pending vote in the Senate on this very bill.

As we have already emphasized in these views, we must expect coffee prices to move upward to still higher levels if the threat of congressional disapproval of this implementing legislation is removed.

What does this particular bill do? It does two major things. It provides that we may require certificates as to country of origin for all coffee imported here. Second, it provides that we may limit, reduce, or stop altogether any imports of coffee from countries which have not adhered to the International Coffee Agreement.

The purpose of these two powers is to enable us to help to enforce its control over the world coffee market by the International Coffee Organization. They have no other purpose. When quotas had been set, we would help to enforce the quotas—whether we agreed with them or not—by rejecting coffee imports from any country that might secede from the International Coffee Organization, or from any individual producer in a member country who might try to ship us coffee without securing an export license or certificate from his own government. In effect, the United States would become an enforcing arm of a world coffee cartel, devoted to raising the price of coffee and keeping it high. And since we are by far the largest importing country, we would be the chief enforcing arm of the cartel. That is what this bill provides.

When the agreement itself was before the Senate Foreign Relations Committee for consideration, the Senator from Arkansas [Mr. Fulbright] said very candidly:

It seems to me that to make an argument that this agreement is in the interest of the consumers is something less than frank. It is really in the interests of our national foreign policy, isn't it? * * * It is in the interest of our foreign policy like our foreign aid bill.

Mr. President, in May 1963, when the International Coffee Agreement was before us, I opposed it. At that time, it seemed to me that this agreement created grave dangers for the American consumer. Everything that has happened since then has borne out my misgivings. Even without enactment of this bill, we have seen how the agreement can be used to push the price of coffee up.

The United States should not participate in any such price boosting scheme at our own expense. Programs

of foreign aid should be dealt with as part of the authorization and appropriation by Congress—and not slipped in in this roundabout way through boosting the price of coffee at the expense of the American housewife. This legislation should be defeated.

CORRECTION OF MINORITY VIEWS IN COMMITTEE REPORT

Mr. CARLSON. Mr. President, there is a misprint in the minority views on Senate bill 701, in the committee report.

In the third paragraph, under the heading "Minority Views on Senate 701," the sentence as printed reads:

This is higher than coffee prices have been since 1945, and inevitably enactment of this bill will be followed by new pressures to force prices up still higher.

Mr. President, the figure "1945" printed in the report should read "1958."

I ask unanimous consent that this correction may be made, and sincerely regret the error which occurred in the printing.

The PRESIDING OFFICER. Without objection, the correction will be made accordingly.

The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of North Dakota (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. RANDOLPH]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], and the Senator from West Virginia [Mr. RANDOLPH] are absent on official business.

I also announce that the Senator from Texas [Mr. YARBOROUGH] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], and the Senator from Maine [Mr. MUSKIE] are necessarily absent.

I further announce that, if present and voting, the Senator from Washington [Mr. JACKSON] would vote "yea."

On this vote, the Senator from Arkansas [Mr. McCLELLAN] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Georgia would vote "nay," and the Senator from Arkansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. HICKEN-

LOOPER], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The Senator from Wyoming [Mr. SIMPSON] is detained on official business.

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 56, nays 23, as follows:

[No. 14 Leg.]

YEAS—56

Aiken	Ervin	McGovern
Allott	Fannin	Metcalf
Anderson	Fong	Mondale
Bartlett	Harris	Montoya
Bass	Hartke	Morse
Bayh	Hayden	Morton
Bible	Hill	Nelson
Boggs	Holland	Pastore
Brewster	Inouye	Pell
Burdick	Javits	Prouty
Byrd, W. Va.	Jordan, N.C.	Ribicoff
Cannon	Kennedy, Mass.	Saltonstall
Case	Kennedy, N.Y.	Smathers
Church	Kuchel	Smith
Clark	Lausche	Sparkman
Cooper	Long, Mo.	Stennis
Dirksen	Long, La.	Tydings
Eastland	Mansfield	Williams, N.J.
Ellender	McGee	

NAYS—23

Bennett	Jordan, Idaho	Proxmire
Byrd, Va.	McIntyre	Robertson
Carlson	McNamara	Symington
Cotton	Miller	Thurmond
Curtis	Mundt	Tower
Douglas	Murphy	Williams, Del.
Hart	Neuberger	Young, Ohio
Hruska	Pearson	

NOT VOTING—21

Dodd	Johnston	Randolph
Dominick	Magnuson	Russell
Fulbright	McCarthy	Scott
Gore	McClellan	Simpson
Gruening	Monroney	Talmadge
Hickenlooper	Moss	Yarborough
Jackson	Muskie	Young, N. Dak.

So the bill (S. 701) was passed.

Mr. SMATHERS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE, 1965

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 51, House Joint Resolution 234.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, the Senate will not begin debate on the pending bill today. It is my understanding that there are Senators who have remarks and speeches to make. At the conclusion of that part of our business, the Senate will adjourn until 12 o'clock noon tomorrow.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. Will the majority leader give us his best estimate as to the time when the Senate might proceed to vote on the pending measure?

Mr. MANSFIELD. I have no estimate. I do not know.

Mr. KUCHEL. Does the majority leader believe that a vote on the joint resolution may be reached tomorrow?

Mr. MANSFIELD. I would doubt it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I will say to the Senator from California that no agreement will be reached to vote tomorrow or at any other time.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the business of the session is completed this afternoon, the Senate stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN POLICY AND PASSING GENERATIONS

Mr. CLARK. Mr. President, last Saturday night in Philadelphia, the former Ambassador to India, John Kenneth Galbraith, made a brilliant speech before a large and enthusiastic crowd at the annual Pennsylvania Roosevelt Day dinner of the Americans for Democratic Action. He spoke on the subject of "Foreign Policy and the Passing Generation."

The speech follows generally an excellent article which Ambassador Galbraith has written for the February issue of the Atlantic Monthly, which I commend to all Senators.

In his speech, Ambassador Galbraith pointed out the difficulty which we in our country have, especially in the State Department, with what he refers to as the three generations of opinion which have arisen since the beginning of World War II. He points out that we are dealing with the age-old question of the generation. This is now the third of our foreign policy declarations since World War II. He says that each generation has had a formula appropriate to its time, but it has clung to its formula after circumstances have made it obsolete.

The Ambassador then points out with cogent reasoning that immediately following World War II, we were caught up in a dream of world order and hope for a peaceful and durable rapport with the Soviet Union.

We were disappointed in that regard when Joseph Stalin broke all of the commitments he had made in a series of meetings, first with President Roosevelt, and later with President Truman.

Reacting from that great disappointment, as we so often do, we came on with the second generation of thinkers with respect to foreign policy, the men of the days of President Truman. It was then thought it was necessary to organize the world against the monolithic power of communism. Everything else had to be subordinated to that end. It was believed that conflict would be an ultimate reality. As the Ambassador has pointed out:

But the world is a cruel place in more ways than one. For the last several years the foundations of the cold war mystique have been crumbling.

Now we have a third generation who are of the view—and I share this view—that should be devoting more of our efforts toward reaching a satisfactory detente with Russia rather than attempting to crush an implacable enemy dedicated to what some of our friends like to call godless communism.

The Ambassador points out that our foreign policy is having trouble in the light of the overlap within the State Department of individuals of all three generations. As he states, our foreign policy today speaks with a certain dissonance because there are many who are clinging rather righteously to the generations of the past.

I believe the article will be of real interest to all readers of the CONGRESSIONAL RECORD who are interested in attempting to bring some sense into our foreign policy and to make it accord with present reality instead of the conditions of the past.

Accordingly, I ask unanimous consent that the text of Ambassador Galbraith's address may be printed in full at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FOREIGN POLICY AND PASSING GENERATIONS
(Speech by John Kenneth Galbraith at the southeastern Pennsylvania Roosevelt Day dinner of the Americans for Democratic Action, Philadelphia, Pa., January 30, 1965)

Senator CLARK, my ADA friends, ladies gentlemen, one of the rewarding things of being out of public office is that one need make no speeches except by choice. Freedom of choice is further assured by the absence of compensation, a very reasonable precaution. So you can be sure I am genuinely glad to be here with so many old friends. And I am glad to have a chance to talk about the current state of our foreign policy.

I propose to be guided at the outset this evening by an article on this same subject in the current Atlantic Monthly. This is not entirely accidental. The article, which I personally recommend, is by a distinguished authority in the field of foreign affairs. I am sure you will agree with me that plagiarism, if kept within bounds, can be both instructive and, like imitation, a sincere form of flattery.

In this article I note that since the election last autumn we have seen, once again, the striking difference in the public attitudes toward domestic as compared with foreign policy. In domestic matters, following the

election, we took for granted there would be a new thrust forward on education, the urban crisis, the deprived, medical care for the aged, the increasing squalor of our surroundings, and other matters awaiting attention.

And there can be no doubt that the President's own intentions extend to foreign policy. His instincts are clearly in the tradition of progressive innovation that marked the administrations of Woodrow Wilson, Franklin D. Roosevelt, Harry Truman and, for 3 short years, that of John F. Kennedy. But here also is the contrast. On domestic matters liberals invariably want and support and expect action. They do not praise continuity in our past approach to Negro voting, the social squalor of the Appalachian plateau or the unemployment of young people. But in foreign policy the mood is less urgent. Here both the liberal and the official instinct is to accept present policies. This is true whether they are right, wrong, or potentially disastrous. We seek continuity in our relations with Canada and Mexico and Switzerland which work well. Equally, we accept continuity in policies toward southeast Asia, China, the arms race, which are not working at all or which are certain to be a source of further deep trouble. We accept the view, not unknown among my old friends in the State Department, that improvement is the sort of annoying thing that restless outsiders and liberal Senators are always proposing. They are both a great nuisance.

In domestic policy we also know that controversy is the price of change. We don't expect to get medical care for the aged without arousing the mighty wrath of the American Medical Association. No one imagined that the civil rights bill would win applause from that new tetrarch of the modern party of the abolitionists, the Republican Senator from South Carolina. There was no surge of national enthusiasm for those statesmen who preferred their personal peace to battling Barry Goldwater. But with foreign policy again there is a difference. Where, China, the world's newest nuclear power is involved, we expect those in charge to be fearful about arousing the ghosts of the China lobby or the communicants of the John Birch Society. We know that no man can afford to be thought soft on communism, Castro or the Panama Canal; and we don't expect liberals to go out on a limb—like WAYNE MORSE. It is true, I must admit, that we no longer pay much attention to Richard Nixon. Still at home a liberal is a man with a predisposition to change. In foreign policy he uses his liberal reputation to bless whatever the State Department has always done.

There is no reason why our foreign policy should be the natural stronghold of conservatism or liberal contentment. And in foreign policy as well as in domestic policy, there cannot be progress without controversy. There is now great need for bringing our foreign policy abreast of the times and, even more, for bringing it abreast of what, accordingly, we end up doing.

II

I also venture to think the American people are in a mood for change.

I had the usual firsthand experience with public opinion, of the part-time politician, during the campaign last autumn. People, I am persuaded, had very little trouble deciding against Mr. Goldwater; indeed, they didn't seem to need a great deal of help from orators like myself. But we shouldn't take comfort from this excessively easy choice. They also, I am persuaded, want improved performance on our side. They are willing to live with danger. But they would like serious efforts to mitigate it. They expect disorder, tension, and conflict in the world. But they want imaginative efforts to reduce them. They know how stubborn are the problems of the poor countries and how

trême shortage of prayer books and indispensable religious articles. Synagogues have been forcibly closed down in many cities and towns; the one rabbinical seminary in the country is permitted no more than three or four students.

Third. The anti-Jewish propaganda campaign: This policy is conducted within the charged atmosphere of a virulent press and propaganda campaign against Judaism. In this campaign, Jews are represented in traditional anti-Semitic stereotypes. Judaism as a religion is vilified.

Fourth. The scapegoating of Jews: Jews have been used as scapegoats for the economic ills that plague the country. Of the 195 people sentenced to death for such crimes, at least half, and possibly more, have been Jews.

Fifth. Discrimination in education and employment: The proportion of Jews in higher education, science, and the professions has been declining from 13.5 percent in 1935 to 3.1 percent today. Jews have virtually disappeared from the diplomatic service, and know that they cannot aspire to leading positions in economic, industrial, technical, and engineering work.

Sixth. Refusal of the right to emigrate: Jews who wish to leave the Soviet Union to be reunited with their families are forbidden to do so.

Taken together this adds up to a policy of reducing the Jews to second-class citizenship in the U.S.S.R., of breaking their spirit and crushing their pride. It aims to shatter, pulverize and gradually eliminate Jewish historical consciousness and Jewish identity. It goes beyond the usual form of religious persecution and becomes instead a spiritual strangulation—the deprivation of a people's natural right to know their past and to participate in their present. For without a past and a present, the future is precarious indeed.

Mr. President, Soviet Jews surely have the right to walk in dignity—no less than their fellow citizens of other nationalities and faiths. They are deprived of this right—and the United States, the leader of the free world, has the obligation to protest in the name of human decency. This can be done through enactment by the House and Senate of the resolution I introduce today. I am joined in presenting this resolution by Senators ALLOTT, BARTLETT, BAYH, BENNETT, BOGGS, BREWSTER, BURDICK, BYRD of Virginia, BYRD of West Virginia, CANNON, CASE, CLARK, COOPER, DODD, DOMINICK, DOUGLAS, FANNIN, FONG, GRUENING, HART, HARTKE, HOLLAND, HRUSKA, INOUE, JACKSON, JAVITS, KENNEDY of Massachusetts, KENNEDY of New York, KUCHEL, LAUSCHE, LONG of Missouri, MAGNUSON, MCCARTHY, MCCLELLAN, MCGEE, MCGOVERN, MCINTYRE, McNAMARA, METCALF, MILLER, MONDALE, MONRONEY, MONTOMY, MORSE, MORTON, MOSS, MURPHY, NELSON, NEUBERGER, PASTORE, PEARSON, PELL, PROXMIER, RANDOLPH, SALTONSTALL, SCOTT, SIMPSON, SMATHERS, SMITH, SYMINGTON, THURMOND, TOWER, TYDINGS, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio.

I ask unanimous consent to have printed in the text of the concurrent resolution at this point.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred; and, without objection, the text of the resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 17) to express the sense of Congress against the persecution of persons by Soviet Russia because of their religion, submitted by Mr. RIBICOFF (for himself and other Senators), was received and referred to the Committee on Foreign Relations, as follows:

S. CON. RES. 17

Resolved by the Senate (the House of Representatives concurring),

Whereas the Congress of the United States deeply believes in freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world; and

Whereas abundant evidence has made clear that the Government of the Soviet Union is persecuting Jewish citizens by singling them out for extreme punishment for alleged economic offenses, by confiscating synagogues, by closing Jewish cemeteries, by arresting rabbis and lay religious leaders, by curtailing religious observances, by discriminating against Jews in cultural activities and access to higher education, by imposing restrictions that prevent the reuniting of Jews with their families in other lands, and by other acts that oppress Jews in the free exercise of their faith; and

Whereas the Soviet Union has a clear opportunity to match the words of its constitutional guarantees of freedom of religion with specific actions so that the world may know whether there is a genuine hope for a new day of better understanding among all people: Now, therefore, be it

Resolved, That it is the sense of the Congress that persecution of any persons because of their religion by the Soviet Union be condemned, and that the Soviet Union in the name of decency and humanity cease executing persons for alleged economic offenses, and fully permit the free exercise of religion and the pursuit of culture by Jews and all others within its borders.

Mr. JAVITS. Mr. President, the distinguished Senator from Connecticut [Mr. RIBICOFF] has submitted a sense-of-Congress resolution protesting the persecution of Jews in the Soviet Union. One single line we must never forget. We learned in Hitler's time that silence will not help the Soviet Jews. Only if the world cries out will the Jews be helped.

The continuing charges of anti-Jewish activities in the Soviet Union should be investigated by the appropriate commissions of the United Nations, the organization established to protect the human rights of people the world over. The U.N. Subcommittee for the Prevention of Discrimination and the Protection of Minorities should have the opportunity to examine first hand charges of anti-Semitism in the U.S.S.R.

The suggestion was first made in Geneva last month by Morris B. Abram, president of the American Jewish Committee. It is a good one, for anti-Jewish activities by Government action and policy in the U.S.S.R. have been going on for a long time, contrary to the laws of man, the U.N. Charter, and international morality.

We should explore all possibilities of beaming the spotlight of public disclosure on such acts wherever they occur. Individuals, groups, and, yes, governments in all areas of the free world must continue to give voice to their indignation over anti-Jewish activities. The Hitler madness is all too recent—so is the Stalin "doctor's plot"—not to warn us to speak out in time.

There are about 3 million Jews in the Soviet Union, and they constitute the second largest Jewish community in the world. They are recognized as a nationality, but they are not given the same rights accorded other recognized nationalities in the U.S.S.R. They are denied any form of community organization and are isolated from other Jewish communities throughout the world. But in spite of more than 40 years of persecution and near-persecution, government pressures, and restrictions designed to discourage religious identification, almost 2½ millions in the U.S.S.R. in the 1959 census declared themselves to be Jews.

In spite of Soviet claims of religious freedom and denials of the existence of anti-Semitism because it is a violation of Soviet law, there is ample and grim evidence that the Soviet Government is singling Jews out as a group for discriminatory restrictions and extreme punishment. Jews and the Jewish religion suffer greater limitations and prohibitions at the hands of the Kremlin than any other religious groups in the Soviet Union.

Synagogue buildings and seminaries have been padlocked, Jewish cemeteries have been arbitrarily shut down, and ritual supplies—including matzoth—needed for religious worship cannot be obtained. No Hebrew Bibles or calendars are printed, and prayerbooks are irreplaceable. Means for training rabbis and community workers are inadequate or nonexistent, and unlike other religious groups Jews are not permitted to establish national organizations. Jewish cultural life has been stifled, and the once flourishing Yiddish language literature in books, theater, periodicals, and newspapers has virtually been wiped out.

There is no doubt that the Soviet Union is very sensitive to charges of anti-Semitism and prides itself on the law which makes it a criminal offense. But when 89 out of 163 persons sentenced to death for alleged "black marketing" or economic crimes, are publicly identified as Jews and held up for ridicule, contempt and caricature in the official Soviet press; and when a blatantly anti-Semitic book containing caricatures on the Nazi pattern is published under the title "Judaism Without Embellishment" by the Ukrainian Academy of Sciences, authored by one Kichko, and thousands of copies are officially distributed, then it is time to expose the false Soviet claim that there is no anti-Semitism under communism and to denounce the hypocrisy behind the Kremlin's denials of anti-Jewish actions. The crude hate-mongering of the Kichko book was even too much for the Communist parties in France, Italy and the United States

to swallow, and they protested, and the intensity of protest from all parts of the world finally persuaded Soviet authorities to suppress the book.

From time to time Soviet leaders have insisted that Soviet treatment of religious minorities is an internal matter and that protests constitute interference in the Soviet Union's domestic affairs. But similar disclaimers by Russia and other nations in earlier periods in our history did not deter the United States from protesting the persecution of Jews or other minority groups.

Since 1840 the United States, while recognizing the principle of nonintervention in the internal affairs of another state, has, nevertheless, protested the persecution of oppressed minorities by foreign governments and has justified these protests in the name of moral duty toward humanity. This policy has remained valid to this day.

This is not the time for silence on the part of American Jewry. Each great wave of indignation will serve to ultimately alleviate, and will help to prevent aggravation of the plight of the Jews in the Soviet Union. Each protest, whether by individuals, by organizations, or by the free nations of the world acting independently or through the United Nations, will serve to make the Kremlin realize how sterile and harmful to its own prestige is its anti-Jewish policy.

I am delighted that many Senators have felt as deeply as I and the Senator from Connecticut [Mr. RIBICOFF] have, and hope they will join in this action. This time I hope this resolution will not go down the drain as a part of the foreign aid bill.

I appeal to the majority leader and to the minority leader—though I do not ask for any assurance at this time—to make this proposal a separate basis of action on the part of the Senate, because last year's action indicates that unless this is done, it will not receive overwhelming support by Members of the Senate.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE—AMENDMENT (AMENDMENT NO. 19)

Mr. TOWER. Mr. President, I send to the desk an amendment to House Joint Resolution 234, the joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and I ask that the amendment be printed.

This amendment would restore language placed in the resolution by the other body which curtails export of agricultural commodities to the United Arab Republic. I intend to call this amendment up for Senate consideration at the appropriate time.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraphs 2 and 4 of rule XVI for the purpose of proposing to the bill (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, and for other purposes, the following amendment, namely:

Pages 3, on line 7, after the word "Act" insert the following: "Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest."

Mr. HOLLAND also submitted an amendment (No. 20), intended to be proposed by him to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. MUNDT (for himself and Mr. ANDERSON) submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraphs 2 and 4 of rule XVI for the purpose of proposing to the bill (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, and for other purposes, the following amendment, namely:

On page 3, at end of line 20, insert the following new section:

"VETERANS' ADMINISTRATION

"No funds heretofore appropriated to the Veterans' Administration shall be utilized for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

Mr. MUNDT (for himself and Mr. ANDERSON) also submitted an amendment, No. 21, intended to be proposed by them, jointly, to the joint resolution (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. MILLER submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraphs 2 and 4 of rule XVI for the purpose of proposing to the bill (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, and for other purposes, the following amendment, namely: Amend the committee amendment as follows:

On page 3: Strike lines 13 and 14 and insert in lieu thereof the following: "or are necessary to carry out any other agreement with the United Arab Republic which has been approved by the Congress."

Mr. MILLER also submitted an amendment (No. 22), intended to be proposed by him, to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDITIONAL COSPONSOR OF SENATE BILL 899

Mr. DIRKSEN. Mr. President, yesterday I introduced Senate bill 899, a bill to incorporate the Catholic War Veterans of America. The name of Senator Boggs, of Delaware, was inadvertently omitted as a cosponsor and I ask unanimous consent that his name be added on the next printing of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED AMENDMENT TO THE CONSTITUTION RELATING TO SUCCESSION TO THE PRESIDENCY AND VICE-PRESIDENCY—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. BAYH. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Kansas [Mr. PEARSON] be added as a cosponsor of the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED AMENDMENT TO THE CONSTITUTION TO GRANT CITIZENS OF THE UNITED STATES WHO HAVE ATTAINED THE AGE OF 18 THE RIGHT TO VOTE IN PRESIDENTIAL ELECTIONS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. CANNON. Mr. President, at its next printing, I ask unanimous consent

President Eisenhower recently said:

The population explosion has become one of the critical world problems of our time. It threatens to smother the economic progress of many nations and endangers the free world struggle for peace and security. Greatly expanded public and private efforts must be undertaken to contain this human explosion.

Secretary of Labor Wirtz recently said:

There is strong indication that a disproportionate number of the unemployed come from large families. Responsible, informed parenthood is relevant in any consideration of a responsible, informed position regarding manpower supply and demand.

Mr. President, the crisis is not merely a threat; it is a fact. We are on a collision course of rampant population growth. Spokesmen of all faiths are deeply worried. I quote a statement by the distinguished Jesuit priest, Father John Thomas, who recently said:

No sizable modern nation could long make reasonable provision for its population increase if its people were to make use of their full reproductive capacity.

Richard Cardinal Cushing, whom Senators will remember as having given the eloquent invocation at the inauguration of President John Fitzgerald Kennedy, applauded his fellow Catholic churchman, Dr. John Rock, for calling to task "those who are unwilling to face the implications of the population explosion."

The tide of human numbers will rise by 160,000 today—more than 60 million this year. World population will double by the end of the century, if present birth rates continue. At this pace, as John Gunther has observed:

In many nations there can be no advance at all, for the simple reason that the great expanding mass of people, human mouths, will eat progress away.

Even while the crisis deepens, the climate for dealing with it—the weather of understanding and tolerance—improves. National leaders speak out. All faiths agree on the principles of family planning, and are working together to resolve their differences about the means. A new Gallup poll shows that 78 percent of U.S. Catholics now believe "birth control information should be available to anyone who wants it."

Each year more nations want help in curbing population growth. Each day more parents want to limit family size. Our war on poverty, through local initiative in a growing list of places, is incorporating birth control assistance. Here and abroad, Planned Parenthood is spreading the message of birth control to scores of millions. The number of U.S. families served by Planned Parenthood has doubled in the last 5 years.

Private agencies and private doctors cannot do the whole job. As John D. Rockefeller III has emphasized:

Population problems are so great, so important, so ramified, and often so immediate, that only Government, supported and inspired by private initiative, can attack them on the scale required.

There are a number of ways by which individuals can aid in this vitally important matter of national security:

First, by standing up to be counted in support of governmental as well as private efforts to limit world population growth through voluntary fertility control. Second, by urging all public health and welfare agencies to provide birth control help to those who want it. Third, by urging expansion of research with Government funds to perfect a variety of simple fertility control methods acceptable to all faiths. Fourth, by urging our Government to assist other nations, on their request, with birth control knowledge and supplies.

The Senator from Alaska [Mr. GRUENING] and I are conferring with civic leaders who are vitally interested in advancing this program at home and abroad. Within the next month or 6 weeks, we expect to have legislation to suggest to the Senate in this regard, legislation which I sincerely hope will receive favor when it is introduced.

Mr. TYDINGS. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield to the Senator from Maryland.

Mr. TYDINGS. I commend the distinguished Senator from Pennsylvania for calling to the attention of the Senate and the people of the country the great problem which we all face.

The Senator from Pennsylvania has rendered an important service to the people of our country, not only this year but in years past, by inviting the attention of citizens to the problem of the population explosion of the world and of this country, as well.

With the possible exception of world peace and perhaps the control of nuclear power, I do not believe there is anything more pressing, as it affects the continuation of an effective Christian civilization, than the control of population explosion.

The sooner we face up to the facts, the sooner we use all the means we have in the local, State, and Federal Governments to assist in solving the problem, the sooner we will have some reasonable chance to combat it.

Again, I commend the Senator from Pennsylvania for his efforts in years past and the effort he is now making. He has one more soldier in the ranks to fight with him.

Mr. CLARK. I thank the junior Senator from Maryland from the bottom of my heart for his courage in speaking out on this subject. I welcome him to the small but growing number of Senators who are determined not to allow this vitally important problem to be swept under the rug in the deliberations of the Senate.

Mr. President, I yield the floor.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE, 1965

The Senate resumed consideration of House Joint Resolution 234, making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. MUNDT. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I am giving notice in writing on behalf of the Senator from New Mexico [Mr. ANDERSON] and myself, that it is our intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing an amendment to House Joint Resolution 234, making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes, which will come before the Senate tomorrow or later this week.

The amendment is short. It reads as follows:

On page 3, at end of line 20, insert the following section:

"VETERANS' ADMINISTRATION

"No funds heretofore appropriated to the Veterans' Administration shall be utilized for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

Mr. President, I do this in line with the colloquy which I had with the distinguished Senator from Montana [Mr. MANSFIELD], and others during the debate on the confirmation of the nomination of Mr. Driver. I pointed out at that time that I was voting for Mr. Driver because I did not believe in shooting down the wrong target for the wrong cause. I pointed out that there was a better, more effective, and more immediate avenue available to Congress, if it were really desired to stop this unwise, cruel, and heartless disregard of the interests of the veterans by summarily closing, without hearings, and without consideration or consultation with Congress, a number of veterans' hospitals and relocating other veterans' facilities.

My amendment, if agreed to by the Congress, would mean that we would block any such action, we would stop any such action until such time as the next annual appropriation bill would come before Congress. At that time, hearings could be held. If there is a case for economy to be made, it can be made in orderly and open congressional hearings, recorded and reported to the people. At that time, Congress could act affirmatively or negatively, as it desires.

I call this to the attention of the Senate and the country now. I understand that this legislation may come up tomorrow. It requires 24 hours' notice, which I hereby give.

I urge its serious and favorable consideration by all Senators, not only those who happen to live in States affected by this closing order, but also as a matter of commanding respect for Congress so that it will be consulted, and the wishes of Congress considered before such summary Executive action is again undertaken.

I think if we permit an Administrator and an administration to get by in this fashion, circumventing the desires of Congress and shortchanging the interests of the veterans, this is only the beginning of a long trail of melancholy

maneuvers to the detriment of the American veterans.

I hope that this amendment will be agreed to overwhelmingly tomorrow. It will give the Senate an opportunity to consider in an orderly way and at a proper time this whole question of providing alleged and unproven economy in the transfer of veterans' facilities before appropriate facilities are available in an orderly way and at the proper time. I hope all Senators will be on hand tomorrow to vote for the Mundt-Anderson amendment.

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator will state it.

Mr. MILLER. What is the pending business?

The PRESIDING OFFICER. The pending business is House Joint Resolution 234, providing supplemental appropriations for certain activities of the Department of Agriculture for 1965.

Mr. MILLER. Mr. President, I note from the print of House Joint Resolution 234 which I have that a committee amendment has been proposed. Is that correct?

The PRESIDING OFFICER. There are several committee amendments.

Mr. MILLER. The print that I have, which is shown as Roman numeral No. II, has what appears to be only one amendment. On page 3, from line 4 through the word "Act" on line 7, is deleted. And there is a proposed addition in italic representing, I believe, the committee amendment. It goes from line 7 down through line 14. Do I correctly understand the Chair to say that there are other amendments than this?

The PRESIDING OFFICER. Page 2, line 3, continuing through line 18.

Mr. MILLER. Then I request that the Chair direct his attention to the amendment to which I have referred on page 3. My question is whether the Chair is of the opinion that this amendment to which I have referred violates paragraph 4 of rule XVI.

The PRESIDING OFFICER. Will the Senator state whether he is referring to the amendment in lines 4 to 7, or the amendment in lines 7 to 14?

Mr. MILLER. What I refer to is what appears to be the proposed committee amendment, which constitutes the committee language, starting on line 7 and running through the end of line 14, all appearing in italics.

The PRESIDING OFFICER. The Chair will refrain from rendering an advisory opinion at this time, but will be ready to rule if a point of order is raised.

Mr. MILLER. Mr. President, that being the position of the Chair, I respectfully raise the point of order.

The PRESIDING OFFICER. A point of order against a committee amendment at this time is not in order. No committee amendment has yet been reported by the clerk for Senate action.

Mr. MILLER. Mr. President, I do not want to prejudice the situation as far as the majority leader is concerned.

I would like to obtain an opinion from the Chair. If the language to which I

have referred does not contravene paragraph (4) of rule XVI, then, would an amendment to this amendment of the committee automatically be held not to contravene paragraph 4 of article XVI?

The PRESIDING OFFICER. The matter that the Senator has referred to on page 3 of the joint resolution is open to amendment when it is before the Senate. But, this matter has not yet been called up or presented to the Senate for action.

Mr. MILLER. The Senator understands that. However, what the Senator is trying to determine is whether or not an amendment which he intends to offer to the amendment proposed by the committee, which is not yet before the Senate, would fall within the same ruling as the committee amendment itself with respect to paragraph 4 of rule XVI.

In other words, if the committee amendment satisfies the requirement that it is not legislation on an appropriation bill, would an amendment to the committee amendment automatically be cleansed of any violation of the rule, also?

The PRESIDING OFFICER. It would depend upon the nature of the amendment offered. It would have to comply with rule XVI.

Mr. MILLER. Does the Chair advise that the mere fact that the committee amendment might be held by the Chair not to violate paragraph 4 of rule XVI does not carry with it an automatic ruling that an amendment to that amendment automatically is cleansed of the violation of the rule?

The PRESIDING OFFICER. The Chair advises the Senator that the answer to the question would depend entirely on the language of the amendment.

Mr. MILLER. Then, only for the purpose of protecting my rights, and in view of the fact that I do not wish to press it to the point of making a point of order at this time, I must also say that, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the resolution (H.J. Res. 234) making appropriations for the fiscal year ending June 30, 1965, and for other purposes, an amendment, with the understanding that if the point of order is made and the Chair rules that the committee amendment is not in violation of said rule, it would not be necessary for me to serve such notice, because my amendment would not fall within the prohibition of the rule.

My amendment would strike lines 13 and 14 on page 3 of the joint resolution which states:

And if the President determines that the financing of such exports is in the national interest.

My language would replace that language with the following:

Or are necessary to carry out any other agreement with the United Arab Republic which has been approved by the Congress.

I send my amendment to the desk and ask that it be printed.

I want to make clear that the purpose of my amendment is to leave—

The PRESIDING OFFICER. Does the Senator wish to file a notice to suspend the rules?

Mr. MILLER. The Senator from Iowa does file notice, as previously stated.

The PRESIDING OFFICER. Notice is filed.

Mr. MILLER. The purpose is to require approval by the Congress of any future agreement with the United Arab Republic. It is not necessary to say that there will be no approval, but to leave it to the Congress to make that determination.

ADJOURNMENT

The PRESIDING OFFICER. What is the will of the Senate?

Mr. SMATHERS. Mr. President, I move that the Senate stand in adjournment in accordance with the previous order, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 35 minutes p.m.), under the previous order, the Senate adjourned until tomorrow, Wednesday, February 3, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 2, 1965:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Donald W. Hoagland, of Colorado, to be Assistant Administrator for Development Finance and Private Enterprise, Agency for International Development.

POSTMASTERS

ALASKA

Lester Suvlu, Barrow, Alaska, in place of J. F. Connery, resigned.

ARIZONA

Lawrence A. Lippert, Florence, Ariz., in place of L. M. Morrell, retired.

ARKANSAS

Dee R. Robbins, Norman, Ark., in place of N. W. Smith, retired.

CALIFORNIA

Patrick F. Chevreau, Elverta, Calif., in place of V. A. Schultz, resigned.
Gerald J. Stephens, Stirling City, Calif., in place of H. J. Martin, retired.

CONNECTICUT

Wilfred O. Racicot, Dayville, Conn., in place of W. A. Rollinson, retired.

GEORGIA

Jack B. Smith, East Point, Ga., in place of Scott Walters, Sr., retired.

ILLINOIS

Stanley H. Cowan, Dundee, Ill., in place of F. H. Popp, Jr., retired.

John B. Reis, Fairbury, Ill., in place of F. M. Masterson, retired.

Robert T. Elgin, Fairmount, Ill., in place of R. M. Hart, retired.

Robert D. Yordy, Flanagan, Ill., in place of M. D. O'Brien, retired.

Maurine C. Brown, Gardner, Ill., in place of L. C. Robinson, retired.

William L. Parker, Genoa, Ill., in place of J. R. Sester, removed.

Harold L. Morrison, Hoopeston, Ill., in place of John Petry, retired.

William F. Knobbs, La Harpe, Ill., in place of R. J. Bowen, transferred.

Glenard E. Miller, Willow Hill, Ill., in place of S. L. Keeler, retired.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

Issued February 4, 1965

For actions of February 3, 1965

89th-1st; No. 23

CONTENTS

Air pollution.....11	Farm credit.....9	Packaging.....31
Appalachia.....17,47	Farm labor.....42	Patents.....48
Appropriations...1,4,14,46	Farm machinery.....27	Personnel.....33
ARS.....1	Farm policy.....23	Public Law 480.....1,14
Assistant Secretaries...35	Fisheries.....37	Reports.....7,9
Calendar.....30	Foreign aid.....1,14,25	Research.....1,38
Buildings.....36	Foreign trade.....24	Soybeans.....24
CCC.....46	Forest resources.....35	Special milk.....4
Coffee.....20,44	Future farmers.....18	Sugar.....26
Committee assignments,2,15	Information.....12,36	Supplemental
Cotton.....19	Labeling.....31,39	appropriations...1,14,36
Crop insurance.....7	Legislative program....,13	Surplus commodities...8,25
Crop measurement.....6	Loans.....37	Tobacco.....3,28,39
Cropland retirement....32	Manpower.....10,7,34	Urban affairs.....41
Double cropping.....22	Milk.....4,8	Water pollution.....21,43
Electrification.....5	Nomination.....45	Wheat.....19,24,32
False reporting.....22	Official objectors.....16	Wool.....40

HIGHLIGHTS: Senate passed USDA supplemental appropriation bill with amendment giving President discretion on Public Law 480 sales to UAR. Sen. Javits criticized reduction in budget estimates for special milk program. Rep. Findley criticizes cotton-wheat program. Rep. Olsen, Mont., introduced bill to provide two additional Assistant Secretaries in USDA.

SENATE

1. APPROPRIATIONS. Passed with amendments H. J. Res. 234, the USDA supplemental appropriation bill for fiscal year 1965 (pp. 1890-1908, 1918-36). Senate conferees were appointed (p. 1936).

Agreed to the following amendments:

Committee amendments precluding the Department from proceeding to eliminate certain lines of research and to close out certain research stations until after Congress has considered and acted upon such plans, and authorizing the use of available funds of the Agricultural Research Service for the installation of temperature and humidity control equipment at the Metabolism and Radiation Laboratory, Fargo, N. Dak. p. 1896

Committee amendment, by a vote of 44 to 38, providing that no part of this appropriation shall be used during fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under title I of Public Law 480, except when such exports are necessary to carry out the Sales Agreement entered into Oct. 8, 1962, and if the President determines that the financing of such exports is in the national interest (this modified a House amendment which did not provide such discretion to the President). pp. 1896-1908, 1918-33

Rejected, by a vote of 7 to 75, an amendment by Sen. Miller which would have required the approval of Congress of any future agreements with the United Arab Republic for sales of agricultural commodities under title I of Public Law 480. pp. 1920-32

See Digest 21 for other items of interest.

2. COMMITTEE ASSIGNMENTS. The Agriculture and Forestry Committee announced the establishment and appointment of members to the following subcommittees:

p. D68

Soil Conservation and Forestry (No. 1): Sens. Eastland (chairman), Johnston, McCarthy, Montoya, Aiken, and Boggs.

Agricultural Credit and Rural Electrification (No. 2): Sens. Holland (chairman), Talmadge, McGovern, Bass, Cooper, Aiken, and Miller.

Agricultural Production, Marketing, and Stabilization of Prices (No. 3): Sens. Johnston (chairman), Holland, Jordan (N.C.), Talmadge, McCarthy, McGovern, Young (N. Dak.), Cooper, and Miller.

Agricultural Research and General Legislation (No. 4): Sens. Jordan (N.C.) (chairman), Eastland, Bass, Montoya, Young (N. Dak.), and Boggs.

Special Subcommittee on Watershed Projects: Sens. Talmadge (chairman), McCarthy, and Cooper.

3. TOBACCO. The "Daily Digest" states that the Agriculture and Forestry Committee announced that its "Subcommittee No. 3 would hold hearings on February 8 and 9 on S. 821, relating to tobacco acreage, poundage, and marketing quotas." p. D68

4. MILK; APPROPRIATIONS. Sen. Javits criticized the reduction in appropriation estimates for fiscal year 1966 (as compared with 1965) for the special milk program and expressed hope that "the Appropriations Committee will do all possible to insure that sufficient funds" will be provided for the program. p. 1936

5. ELECTRIFICATION. Sen. Metcalf commended the rural electrification program and inserted the speech of Clyde Ellis to the annual meeting of the National Rural Electric Cooperative Assoc. reviewing problems faced in carrying out the program. pp. 1886-90

89TH CONGRESS
1ST SESSION

H. J. RES. 234

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1965

Ordered to be printed with the amendments of the Senate numbered

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1965, namely:

6 DEPARTMENT OF AGRICULTURE

7 COMMODITY CREDIT CORPORATION

8 REIMBURSEMENT FOR NET REALIZED LOSSES

9 For an additional amount to reimburse the Commodity
10 Credit Corporation for unreimbursed net realized losses sus-
11 tained during the fiscal year 1963, pursuant to the Act of
12 August 17, 1961 (15 U.S.C. 713a-11, 713a-12),
13 \$1,100,000,000 (1): *Provided, That none of the funds ap-*

1 *propriated under Public Law 88-573, approved September 2,*
2 *1964, shall be used to formulate or administer a program to*
3 *eliminate agricultural research stations or lines of research*
4 *until after the Congress has considered and acted upon such*
5 *plans for the elimination of research in its regular considera-*
6 *tion of the research appropriation estimates for fiscal 1966*
7 **(2):** *Provided further, That not more than \$220,000 of the*
8 *funds appropriated for "Salaries and Expenses, Research,*
9 *Agricultural Research Service" in the Department of Agri-*
10 *culture and Related Agencies Appropriation Act, 1965 (78*
11 *Stat. 862), shall be available until expended, without regard*
12 *to any limitations included in that Act, for alterations neces-*
13 *sary in connection with the installation of temperature and*
14 *humidity control equipment for the Metabolism and Radiation*
15 *Laboratory, Fargo, North Dakota.*

16 PUBLIC LAW 480

17 For an additional amount for expenses during the fiscal
18 year 1965, not otherwise recoverable, and unrecovered prior
19 years' costs, including interest thereon, under the Agricul-
20 tural Trade Development and Assistance Act of 1954, as
21 amended (7 U.S.C. 1701-1709, 1731-1736), to remain
22 available until expended, as follows: (1) Sale of surplus
23 agricultural commodities for foreign currencies pursuant to
24 title I of said Act, \$250,000,000; and (2) long-term supply
25 contracts pursuant to title IV of said Act, \$200,000,000

1 **(3)**: *Provided*, That no part of this appropriation shall be
 2 used during the fiscal year 1965 to finance the export of any
 3 agricultural commodity to the United Arab Republic under
 4 the provisions of title I of such Act : *Provided*, That no part
 5 of this appropriation shall be used during the fiscal year 1965
 6 to finance the export of any agricultural commodity to the
 7 United Arab Republic under the provisions of title I of such
 8 Act, except when such exports are necessary to carry out the
 9 Sales Agreement entered into October 8, 1962, as amended,
 10 and if the President determines that the financing of such ex-
 11 ports is in the national interest.

12 INTERNATIONAL WHEAT AGREEMENT

13 For an additional amount for expenses during fiscal year
 14 1965 and unrecovered prior years' costs, including interest
 15 thereon, under the International Wheat Agreement Act of
 16 1949, as amended (7 U.S.C. 1641-1642), \$50,000,000,
 17 to remain available until expended.

18 **(4)** VETERANS' ADMINISTRATION

19 No funds heretofore appropriated to the Veteran's Ad-
 20 ministration shall be utilized for the purpose of implement-
 21 ing any order or directive of the Administrator of the Vet-
 22 erans' Administration with respect to the closing or relocat-
 23 ing of any hospital or facility owned or operated by the
 24 Veterans' Administration or with respect to the withdraw-

1 *ing, transferring or reducing of services heretofore made*
 2 *available to veterans.*

Passed the House of Representatives January 26, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments February 3, 1965.

Attest:

FELTON M. JOHNSTON,

Secretary.

89TH CONGRESS
1ST Session

H. J. RES. 234

JOINT RESOLUTION

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1964

Ordered to be printed with the amendments of the Senate numbered

weeks before the FPC survey was to be released, combinations of power companies in several areas of the country, knowing it was coming, hurriedly announced plans for their own regional pooling, while still publicly belittling general pooling. The newspaper stories carried the companies' claims of great benefits and savings for their plans, but in none that I saw did they support pooling of all power in an area and in none was any saving cited as an objective either for their consumer customers or for us, their wholesale customers. Several of the companies in the proposed pools also made it clear that they were going to operate very exclusive clubs and did not want the rural electric and other nonprofit distributors to participate.

This is stone age thinking that has no place in our modern economy. The great promise of power pooling will never be realized if it is founded on narrow self-interest, age-old prejudices and on monopoly charge-the-customer-all-he-can-bear practices. The public interest requires not only national power pooling but that our systems participate, and we intend to see that you are given the opportunity to participate.

New EHV interconnections needed

Without taking a position on the ownership of the lines, the FPC survey recommends several extra high voltage, east-west interconnections. It is significant that in all cases the suggested lines either begin or terminate at major Federal power systems, or at terminals of transmission facilities which are under contract to Federal agencies.

We do not have to look very far into the future to see that if the yardstick provided by the Federal wholesale power program and the nonprofit producers and distributors is to avoid extinction, the parts that compose it must grow as the total power industry grows.

To preserve and modernize the yardstick, I urge that in addition to maintaining at least the 15-percent ratio of Federal generation, serious consideration be given immediately to the authorization and construction of the following elements of a Federal transmission system:

1. An extra high voltage, common carrier, Federal tie line between the Federal facilities of the Columbia Basin and the Missouri Basin. This line would utilize time zone diversity and coordinate two major adjacent Federal hydroelectric wholesale systems.

2. A similar major line between the Missouri Basin System and the Federal Southwestern Power Administration. This line would carry a portion of the 3-million kilowatt seasonal diversity forecast by FPC as existing by 1980 between the Northwest and the SPA area.

3. Extra-high-voltage, Federal, common carrier lines to link SPA with TVA and TVA with the Federal Southeastern Power Administration facilities, and with the southern terminal of a Passamaquoddy-St. John Federal transmission system in the Boston area. This network would carry part of the load needed to realize the benefits of a 3.3-million-kilowatt diversity the FPC forecasts between the Northeast and SPA areas by 1980. These lines would interconnect the proposed giant steamplants in Appalachia with the other major Federal projects. They would extend the Federal part of the yardstick into the high-power cost areas of the Eastern States, including Florida and New England.

Most of these Federal systems or projects are already built, from the Columbia to the Savannah, from the Colorado to the now promised Passamaquoddy-St. Johns. They must all be tied together—and very soon—and tied with the Canadian pools and beyond to the Alaskan projects, including Rampart Dam on the Yukon.

These recommendations require no basic adjustments in national power policy. They are merely an extension and modernization of the policy which developed in this country over the years. If everything I have called for this morning were in full operation in 1980, the proportion of Federal participation in the total power picture still would be no greater than it was in 1956.

So we aren't discussing revolutionary ratios; we're discussing the preservation of the small competitive factor provided by the participation of the nonprofit segments of the power industry.

Our direct self-interest is clear. We now purchase 37 percent of our wholesale power supply from Federal agencies and 38 percent from the commercial companies. The modernized yardstick would produce efficiencies which would increase—and thus maintain the ratio of—our supply of Federal power and decrease the rates per kilowatt-hour we pay the companies. Full participation in the pools by our generation and transmission cooperatives would result in great savings for them and would prevent many of our relatively small plants from becoming obsolete.

Modernization of the yardstick including national power pooling is going to be achieved. And I think you are going to lead that fight in the public interest, and win it, just as you have led and won many other fights, including the west coast intertie battle last summer.

V. NEEDS OF RURAL AREAS IN THE GREAT SOCIETY

Another area of the consumer interest in which you have long played a major role, and which I believe must be of even greater concern to you in the future, is the broad area of human need. Probably because our own program deals so intimately with people, you have long supported progressive efforts to increase the opportunities of people to lead fuller and more rewarding lives. While you have focused your efforts on the needs of rural people, the results of your work benefit the entire Nation.

The recognition of these efforts by the President, by Members of Congress, by the press and others, benefits you tremendously in the raising of our program's prestige. It has given all of us a more responsible position in the minds of many of this country's most influential people. Many who have no particular interest in our bread-and-butter rural electrification issues respect and support us because of the broader, humanitarian aspects of our program. This is an attitude that has taken on new importance in recent years, and in my opinion, our participation in the various community development programs, and our willingness to share our experience with our fellow rural peoples of other nations on a nonprofit basis, plus our TNT (tell the nation the truth) about what we are doing have been chiefly responsible.

As you know so well, new Federal programs are now being developed to help the less fortunate people in both our rural and urban areas. These programs, their benefits are a part of what President Johnson calls the Great Society. Some think little of this vision the President has for our Nation, and some think it is too idealistic to ever be accomplished. I am convinced most of it is going to be accomplished and we can either keep hands off and probably see most of the benefits flow to the cities, or we can increase our efforts and help shape it to make all of rural America bloom again.

Let us not forget that this country never had a more idealistic undertaking than the rural electrification program. The cynics and scoffers and prophets of doom and men of little faith once had a field day with the idea that all rural people could, or should, have electricity. Now they are in full bay at the heels of the antipoverty program and the other elements of the Great Society.

Let me tell you something: I have a feeling that Lyndon Johnson just may be able to do it. I'd like to help him, and I think most of you would, too. Whatever we can do to help, we'll be repaying in small measure the great debt we owe all the people of this country for their help and support of our own program. If everyone in America were blind to everything except his own narrow self-interest, the country would be in sad shape, and, among other things, most of rural America would be in darkness tonight.

And let me tell our great President something, too, and the Congress: Your Great Society is not going to work efficiently, in my opinion, unless and until the Federal Government, which in recent years has been abdicated its necessary role in the power field, reasserts itself in the consumer and public interest to bring all the known efficiencies of giant electric power into being with the built-in controls and influences of a modernized yardstick.

We will continue to help you, Mr. President, with rural areas development—we have already done much—and we will help you with your war on poverty—and this for us will be in its finest sense "bread cast upon the waters," but please, Mr. President, in these areas you must help us to help you.

VI. NEED FOR MORE POLITICAL RESPONSIBILITY

Finally this morning, I want to compliment and congratulate all of you on the magnificent job you did in saving your program at the polls in the elections last fall.

Certainly the spirit of that great event strode on before the event, and it lingers long after the event.

I don't have to detail for you now the stake this program had in the presidential election, what all of us did, or what the results were. You know that on the basis of the record, the election of Senator Goldwater would have meant the end of the rural electrification program we have known. You know that we all mobilized as never before in our history in grim determination that this would not happen. And you know that largely as a result of these efforts President Johnson piled up the largest rural vote of all time.

While you were about it, you also decided to do something about a number of Congressmen with long and clear records against us, and to do more in support of many Congressmen and Senators who had long supported us. Partly as a result is a Congress that as a whole seems more favorable to us than any in the past decade.

In a political sense, you came of age last fall. You developed a political maturity that you never had before, and it carries with it both responsibilities and opportunities. Whether we like it or not, our entire political posture has changed, and we can never go backward.

The men we helped elect cannot be abandoned. If they are to fight for us, we must support them. Another day, in another year, they will have to run again. We hope they will run on their support of our programs. Where will you—all of us—be on that day?

Because our program was established by public action and exists by public consent and support, it has always been in politics, though not partisan politics. There have always been in both parties those who supported us and those who opposed us, and whom, in varying degrees, we either supported or opposed.

The difference now is that we have learned to be effective in politics, and we must be even more effective in the future—even to the point of seeing to it that the candidates nominated by both parties be friendly toward us.

We know how to mobilize our own program—and we must learn how to work effectively with others whose overall best interests coincide with ours.

We are strong in rural areas where others are weak. They are strong in mushrooming urban areas where we are weak. Surely simple commonsense dictates that we seek each other out, find whatever areas of agreement we can, and then work together. Our electric consumers information committee, through which two dozen organizations work together in the power area—cooperative, power groups, trade unions, farm organizations—is proof positive that this can be done.

I strongly urge that in every State you take the initiative now to find the groups with whom you can work effectively, and form your alliances.

During these next few days you are going to be hearing a lot more about the future. I know you'll do some hard thinking and participate in the discussions. The program needs your ideas and your help.

Through your accomplishments in several areas, you are now in a strong position to deal with the future more on your own terms. You have the strength and know-how to make your own program secure, to help shape the future of the whole power industry, and to help make the world a better place for all of us.

IN CONCLUSION

Yes, Coleridge wrote, "In today already walks tomorrow"; and I hope that on this day all of us can have the vision to see the needs of tomorrow, the wisdom to find the solutions to those needs, and the courage to do whatever must be done.

Vision, wisdom, courage—these are hallmarks of the great; and this is a program touched with greatness.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE, 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, Calendar No. 51, House Joint Resolution 234, and that it be laid down and made the pending business.

The VICE PRESIDENT. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the joint resolution.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I have some brief preliminary remarks to make on the pending joint resolution, however, I understand that the distinguished Sen-

ator from Texas [Mr. TOWER] also has some brief remarks; and since he must leave soon for another important appointment, I waive making my opening remarks at this time in order that he may be heard.

Mr. TOWER. Mr. President, I thank the Senator from Florida.

As we consider supplemental funds for the Department of Agriculture to carry out of its price-support commitments, we do so in the light of the disturbing fact that the farm parity index as of mid-January declined to 74 percent, down from 75 percent since 1939.

If we look more closely into the reasons for this decline in the parity index, we discover it is not due to a reduction in farm prices—which in fact increased 1 percent between mid-December and mid-January. Rather it is due to the steady, almost relentless, increase in prices paid by farmers, which are up 1¼ percent in January compared with December.

This is the continuation of a long-term upward trend in farm costs. In 1947, farm costs were \$17 billion, less than 50 percent of gross farm income of \$34.4 billion.

Since 1947, gross farm income has been increasing steadily. But farm production costs have been going up much faster. In 1964, gross farm income was \$42 billion, but farm costs had increased to \$29 billion—70 percent of gross farm income.

Thus, between 1947 and 1964, production costs have increased from less than 50 percent of gross income in 1947 to 70 percent of gross income in 1965.

This is the well-known cost-price squeeze in agriculture. The crucial factor adversely affecting farmers is not so much prices or gross incomes. The crucial factor is costs. January figures indicate that the situation is not improving—but is getting more critical. Costs are still going up.

At this point, I ask unanimous consent to have printed in the RECORD a table showing gross farm income, production expenses, net farm income, the ratio of costs to gross income and the parity ratio for each of the years 1947 to 1964, inclusive.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Gross income	Production expenses	Net income	Ratio, expenses to gross	Parity ratio
	Billions of dollars			Percent	
1947.....	34.4	17.0	17.3	49.4	115
1948.....	34.9	18.9	16.0	54.1	110
1949.....	31.8	18.0	13.8	56.6	100
1950.....	32.5	19.3	13.2	59.4	101
1951.....	37.3	22.2	15.2	59.5	107
1952.....	37.0	22.6	14.4	61.1	100
1953.....	35.3	21.4	13.9	60.6	92
1954.....	33.9	21.7	12.2	64.0	89
1955.....	33.3	21.9	11.5	65.7	84
1956.....	34.6	22.6	12.0	65.3	83
1957.....	34.4	23.4	11.0	68.0	82
1958.....	37.9	25.3	12.6	66.8	85
1959.....	37.5	26.2	11.3	69.9	81
1960.....	37.9	26.2	11.7	69.1	80
1961.....	39.6	27.0	12.6	68.1	80
1962.....	41.0	28.3	12.6	69.0	79
1963.....	41.7	29.2	12.5	70.0	78
1964.....	42.0	29.4	12.6	70.0	75

Mr. TOWER. Mr. President, I do not know of any reason to suppose that it is necessary for farm costs to go up every year. There is no immutable law of nature that dictates this upward trend. Farm costs are manmade. The reasons that farm costs go up, at least many of them, are clear.

Whenever wage rates go up faster than productivity, the result is inevitable. Higher prices and costs.

The past five Presidents of the United States have been compelled to call on labor unions to be moderate in their wage demands. But it is unrealistic to suppose that labor union leaders can accept this counsel. Their responsibility is to their members, and their members expect them to get at least as much as other labor leaders. No, this is our responsibility—to so arrange the economic climate that labor unions can effectively represent and promote the interests of their members, but without excessive and inflationary wage increases.

Wage rates are also pushed up by other factors. Wage rates are pushed up by Government. Whenever we increase the minimum wage level, or extend mini-

mum wage legislation to new groups, this pushes up not only the wage levels of those directly affected, but also the whole wage structure.

The maintenance of proper differentials between different categories of skills is in fact an essential public objective, since we must maintain proper incentives for people to increase their skills. Much evidence is available to indicate that when wage levels are pushed up at the bottom, the push extends to the whole wage pattern.

An increase in required overtime payments, or a reduction in the workweek would have the same inflationary effect on the cost-price situation.

We are also inclined to forget that the benefits bestowed on people by law for more generous retirement programs or benefits, or improved unemployment insurance benefits, do not come free. The cost of such benefits is not paid by Government or by employers. The costs are reflected primarily in prices.

Since farmers purchase not only the same items used for consumption as do other segments of the population, but also expend 70 percent of their gross in-

come for production items, they are particularly affected by rising prices.

One of the most recent examples of Government action to increase farm costs has been the requirements imposed by the Secretary of Labor which must be met by farmers who wish to establish eligibility to employ farmworkers from Mexico, the British West Indies, Canada or other foreign origins.

Farmers who wish to establish such eligibility must offer continuously, whenever they are recruiting domestic workers, to enter into a written contract with each such domestic worker, under the terms of which the farmer promises to pay transportation, housing and occupational insurance for such workers, without charge to such workers—plus a wage fixed by the Secretary of Labor on an hourly basis, which must be paid to workers on a price rate basis no matter how little they produce.

The required hourly minimum wage which must be paid varies by State from \$1.15 in Texas to \$1.40 in California. This represents an increase of from 20 cents to 55 cents per hour. In addition to this minimum wage, farmers are required to provide without charge to the worker, transportation, both local and long distance, housing and occupational insurance.

I do not recall that the Congress has ever enacted legislation providing for a minimum wage for farmworkers. Yet the Secretary of Labor appears to have established by executive decree what the Congress has refused to provide by statutory enactment.

It can, of course, be argued that what the Secretary of Labor has required is not a minimum wage, because no penalty is imposed on those who do not pay the prescribed amounts. The only sanction is that the farmer is not eligible to employ foreign workers. But those farmers in those areas who grow high-labor-requirement crops commonly have no alternative. The practical effect of the Secretary's ruling is exactly the same as though imposed by statute.

Fortunately, producers of some crops have made great strides during the past 2 or 3 years toward mechanizing their operations. Such reduction in numbers of workers employed have been made in anticipation that the Labor Department and the Congress were taking actions to tighten the farm labor supply situation.

But many producers of many other crops have not been fortunate in having comparable new technology available to them.

In the case of many high-labor-requirement crops, the increased wage requirement will be farreaching.

For example, I doubt that U.S. producers of such crops as pickles and strawberries can compete with the growing pickle and strawberry industries of Mexico when they have to pay more for 1 hour of work than Mexican employers pay for a day. The production of such crops as lettuce and tomatoes, will cer-

tainly be expanded in Mexico and the Caribbean area.

We must, of course, enact the pending measure. We have no alternative but to provide funds for commitments that have been made, no matter how ill-advised they may have been. That is not the point I would make. The point I would make is that the Congress, and the executive branch, too, should recognize that there are many factors, and factors within our control, which bear on the economic status of farmers. We are often inclined to overlook these factors. Many legislative enactments that do not appear to be directly related to the interest of farmers have a greater impact on the economic position of farmers than farm program legislation.

As Congress progresses with its work in the year ahead, we will deal with a number of measures which, whatever else may be said for such measures, do involve cost increases for farmers. This is one of the possible adverse consequences that should not be lost sight of in the exercise of our legislative responsibility.

Mr. President, I thank the Senator from Florida once more for giving me the opportunity to make these remarks at this time.

Mr. HOLLAND. Mr. President, the pending joint resolution (H.J. Res. 234), as reported to the Senate by the Committee on Appropriations, recommends supplemental appropriations for the Department of Agriculture amounting to \$1,600 million.

The committee considered supplemental estimates proposed in House Document No. 59 totaling \$1,742,209,000. The \$1.6 billion recommended is \$142,209,000 under the supplemental estimates, and is the same amount as approved by the House.

I wish to make a further statement in regard to some of the items carried in the joint resolution.

REIMBURSEMENT FOR NET LOSSES TO THE COMMODITY CREDIT CORPORATION

The joint resolution provides an additional appropriation of \$1.1 billion to reimburse the Commodity Credit Corporation for unreimbursed net losses sustained during fiscal 1963, and \$100 million of unreimbursed loss sustained in fiscal 1962.

I wish I could advise the Senate that the reductions in the supplemental estimates totaling \$142 million were a saving, but such is not the case. All of these reductions in the estimates will have to be reconsidered in some future appropriation bill. That is due in part to the fact that we are dealing with appropriations that are required under law to reimburse the Commodity Credit Corporation by appropriation for realized losses, already sustained in prior years, in the conduct of mandatory price support programs. We are also dealing with appropriations to meet the costs and expenses under Public Law 480.

Both the Congress and the executive branch have failed to act responsibly in

making the necessary appropriations as required under various laws.

PROVISIONS AUTHORIZING REIMBURSEMENT APPROPRIATIONS

Mr. President, I request unanimous consent to place in the RECORD at this point a summary furnished to the committee by the Department of Agriculture citing the various provisions of law authorizing or requiring appropriations to reimburse the Commodity Credit Corporation for costs or losses sustained in carrying out various authorized programs.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS FOR REIMBURSEMENT TO CCC FOR NET REALIZED LOSSES AND RESTORATION OF CCC CAPITAL IMPAIRMENT (PRIOR TO JULY 1, 1960) AND FOR REIMBURSING CCC FOR PROGRAMS FINANCED FROM CAPITAL FUNDS

I. PROVISIONS OF LAW AUTHORIZING OR REQUIRING APPROPRIATIONS

Restoration of CCC capital impairment

Act of March 8, 1938 (15 U.S.C. 713a-1), provided for annual appraisal of assets and liabilities of the CCC by the Secretary of the Treasury and further provided: "there is hereby authorized to be appropriated annually * * * an amount equal to any capital impairment found to exist by virtue of an appraisal as provided herein."

This act, as amended by Public Law 312, approved March 20, 1954, carried the Williams amendments which provided for future restorations of capital impairment on the basis of realized losses and also that: "Such capital impairment shall be restored with appropriated funds as provided herein rather than through the cancellation of notes."

(NOTE.—Superseded by Public Law 87-155 authorizing appropriations to reimburse CCC for net realized losses sustained after June 30, 1960 (next under).)

Reimbursement to CCC for net realized losses

Public Law 87-155 (75 Stat. 391), August 17, 1961: "There is hereby authorized to be appropriated annually for each fiscal year, commencing with the fiscal year ending June 30, 1961, * * * an amount sufficient to reimburse Commodity Credit Corporation for its net realized loss incurred during such fiscal year, as reflected in the accounts and shown in its report of its financial condition as of the close of such fiscal year. Reimbursement of net realized loss shall be with appropriated funds * * * rather than through the cancellation of notes."

The act of August 1, 1956 (70 Stat. 783), increased CCC's borrowing authority from \$12 billion to \$14.5 billion.

Special milk

Public Law 86-446, April 29, 1960, amending Public Law 85-478 (7 U.S.C. 1446 note): "There is authorized to be appropriated for the purposes of this act for the fiscal year beginning July 1, 1960, separate from any other appropriation of funds for Commodity Credit Corporation, such amounts as may be deemed to be necessary to reimburse Commodity Credit Corporation for amounts advanced by it."

(NOTE.—The Agricultural Act of 1961, Public Law 87-128, title IV, authorized appropriations for fiscal years 1963 through 1967. Under this authority the 1963 appropriation was made to the Agricultural Marketing Service.)

Sale of surplus agricultural commodities for foreign currencies and commodities disposed of for emergency famine relief to friendly peoples, titles I and II of Public Law 480

Agricultural Trade Development and Assistance Act—Public Law 480, title I (7 U.S.C. 1703(a)), July 10, 1954: "For the purpose of making payment to the Commodity Credit Corporation * * * for commodities disposed of and costs incurred under titles I and II of this act, there are hereby authorized to be appropriated such sums," etc.

Long-term supply contracts, title IV of Public Law 480

Agricultural Trade Development and Assistance Act, Public Law 480, title IV, as amended by Public Law 86-341 (7 U.S.C. 1736), September 21, 1959: "In carrying out this title, the provisions of sections * * * 103(a) * * * shall be applicable to the extent not inconsistent with this title."

Public Law 480, title I (7 U.S.C. 1703(a)), July 10, 1954 (sec. 103a): "For the purpose of making payment to the Commodity Credit Corporation * * * for commodities disposed of and costs incurred under titles I and II of this act, there are hereby authorized to be appropriated such sums."

(NOTE.—Activity under this program started in December 1961.)

International Wheat Agreement

Public Law 421 (7 U.S.C. 1641), October 27, 1949, as amended: "There are hereby authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs."

Bartered materials for supplemental stockpile

Agricultural Act of 1956, Public Law 540, title II (70 Stat. 200 7 U.S.C. 1856), May 28, 1956: "In order to reimburse the Commodity Credit Corporation for materials transferred to the supplemental stockpile there are hereby authorized to be appropriated amounts equal to the value of any such materials so transferred. The value of any such materials for the purpose of this subsection, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such transfer, as determined by the Secretary of Agriculture."

National Wool Act

Agricultural Act of 1954, Public Law 690, title VII, National Wool Act (7 U.S.C. 1784), August 28, 1954: "For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this title, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: *Provided, however,* That such amounts appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from duties collected during the period January 1 to December 31, both inclusive, preceding the beginning of such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended."

Grain for migratory waterfowl feed

Public Law 654 (7 U.S.C. 445), July 3, 1956: "There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for its investment in the grain transferred."

(NOTE.—This appropriation item is now included under the Department of the Interior.)

Surplus grain for game birds

Public Law 87-152 (75 Stat. 389), August 17, 1961: "There are hereby authorized to be appropriated such sums as may be neces-

sary to reimburse the Commodity Credit Corporation for its investment in grain transferred."

(NOTE.—Appropriations to cover costs of grain transferred to States will requested in a later budget. Appropriations to cover costs of grain transferred to the Department of the Interior will be requested by that Department.)

Cotton classing and tobacco grading

The 1952 Agricultural Appropriation Act (7 U.S.C. 414a), August 31, 1951: "Hereafter there may be transferred to appropriations available for classing or grading any agricultural commodity without charge to the producers thereof such sums from nonadministrative funds of the Commodity Credit Corporation as may be necessary * * * such transfers to be reimbursed from subsequent appropriations therefor."

(NOTE.—This appropriation item is now included under Agricultural Marketing Service.)

Soil Bank Act

Agricultural Act of 1956, Public Law 540 (7 U.S.C. 1808(a)), May 28, 1956: "There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, including such amounts as may be required to make payments to the Corporation for its actual costs incurred under this section."

(NOTE.—Program completed. Direct appropriations made beginning in fiscal year 1958.)

Mr. HOLLAND. Mr. President, I believe that corrective action should be promptly undertaken by the executive department to request the Congress to appropriate the amounts necessary to reimburse the Commodity Credit Corporation for all outstanding prior year losses, as well as to estimate carefully the costs of Public Law 480, the International Wheat Agreement, and any other related items for which mandatory appropriations are requested. In recent years, both the executive and the legislative branches have sought to make funds available only as needed to enable the Commodity Credit Corporation to finance all authorized programs.

The committee believes that this pending supplemental would not be required if both branches had acted more responsibly in recent years in regard to the appropriations needed for this general purpose.

EXCERPTS FROM COMMITTEE REPORT

Mr. President, in view of the importance of the pending joint resolution and the need to emphasize that the Commodity Credit Corporation appropriations should be considered on a more current basis, I request unanimous consent that portions of the committee report, accompanying the resolution, and dealing with the various appropriation items, including the language amendments dealing with Public Law 480, be included in the RECORD at this point.

— Mr. MORSE. Mr. President, I understand that the request of the Senator from Florida is that only the report be included in the RECORD, and that it does not involve acceptance of any recommendation in the report or any amendment.

Mr. HOLLAND. The Senator is correct. I merely wish to have it placed in the RECORD in order to show those portions of the committee report which show

the fiscal situation of the Commodity Credit Corporation and the failure to meet it in accordance with the law, and the amendments which we are recommending. I am not asking for action on the resolution at this time.

Mr. MORSE. I have no objection.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SENATE COMMITTEE REPORT

The committee recommends an appropriation of \$1,100 million to complete the restoration of unreimbursed losses to the Commodity Credit Corporation for fiscal 1962 of \$100 million, and to provide an additional \$1 billion of reimbursement appropriation for unreimbursed losses sustained in fiscal 1963. The total net realized losses sustained by the Commodity Credit Corporation in the conduct of mandatory price support and related farm programs for fiscal 1963 amounted to \$2,654,853,000 and of this amount \$1,574 million was appropriated to reimburse the Commodity Credit Corporation in the regular Agricultural Appropriation Act for 1965. That amount, together with the \$1 billion recommended in this resolution, restores all of the capital impairment for fiscal 1963, except for \$80,853,000.

The need for this supplemental appropriation of \$1,100 million results in part from the failure of the executive branch to request full restoration of net realized losses pursuant to Public Law 85-155, approved August 17, 1961, which authorizes appropriations to reimburse for such realized net losses as reflected on the accounts of the Corporation, as shown in its financial statement at the close of each fiscal year. In addition, the Congress has not always provided the full amount of partial restoration estimates submitted by the Department; and this procedure of attempting to provide sufficient funds on an estimated basis to enable the Commodity Credit Corporation to discharge all its mandatory operations has led to the need for this supplemental appropriation in the middle of fiscal year 1965. The committee strongly urges the Department to amend the budget for fiscal 1966 to request the full losses sustained in fiscal year 1964, and expects that in future budgets, the full amount of all unreimbursed losses for prior fiscal years, as finally determined, will be requested, including the \$1,057 million of unreimbursed losses sustained in fiscal 1961 as a result of revaluation of the inventory.

The committee has included in the resolution under this appropriation head two provisions dealing with agricultural research. The first proviso will preclude the Department of Agriculture from proceeding to eliminate certain lines of research and to close out research stations which were listed in the announcement by the Secretary of Agriculture in his press release of last December 31. The committee believes that no formal action to close out the research announced by the Secretary should be taken until the committees of both Houses of Congress have acted upon these proposals to eliminate research in conjunction with the consideration of the regular agricultural appropriation bill for 1966. The second provision would authorize the use of available funds to provide for the installation of urgently needed temperature and humidity control equipment for the metabolism and radiation laboratory recently constructed at Fargo, N. Dak. The provision increases the limitation in the regular Agricultural Appropriation Act for renovation and alteration of research facilities and does not provide any additional appropriation since funds already made available will be used to carry out this urgently needed alteration in connection with the new facility.

PUBLIC LAW 480

The committee has considered the supplemental estimates transmitted in House Document No. 59 for Public Law 480, and recommends an additional appropriation of \$250 million, for sales of commodities for foreign currencies authorized by title I of Public Law 480. This is a reduction of \$23 million under the amount of the supplemental estimate and is the same amount as approved by the House. The Department did not request restoration of the House reduction. The supplemental appropriation recommended, together with \$1,612 million appropriated in the regular appropriation act, will make a total of \$1,862 million available in fiscal 1965 for financing expenses and costs incurred in the sale of agricultural commodities for foreign currencies.

A supplemental appropriation of \$233,400,000 was proposed for financing the expenses under title IV, which authorizes long-term supply contracts for the sale of commodities. The House reduced the supplemental estimate to \$200 million, a reduction of \$33,400,000, and no restoration of the budget estimate was requested by the Department. The committee concurs in the amount approved by the House, which together with the \$35 million already appropriated, makes a total available in fiscal 1965 of \$235 million.

The supplemental appropriation is recommended to provide for increased expenses in the current year and to enable the Department to move in the direction of placing this program on a pay-as-you-go basis, and thereby further relieve the obligations against the borrowing authority of the Commodity Credit Corporation for conduct of its mandatory farm program operations. Future appropriation requests for expenses of this program will be estimated on a more current basis, and as repayments of outstanding contracts are received, they will be applied against the yearly costs, and future appropriation estimates will be based upon gross annual program costs less the receipts from repayments under outstanding contracts.

As the resolution passed the House, it carried a limitation in regard to the export of agricultural commodities to the United Arab Republic. The committee recommends that the provision inserted in the House be stricken from the resolution. The text of the language stricken reads as follows: "*Provided*, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act".

In lieu of the language stricken, the committee recommends the inclusion in the resolution of the following provision:

"*Provided*, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest".

It is further the policy of Congress that most careful consideration should be given by the responsible agencies of our Government concerning the continued provision of assistance under this act to countries that are, directly or indirectly, hostile to the United States or that are providing assistance to groups or countries that are acting against the best interests of the United States.

In exercising said provisions of assistance, the Congress emphasizes that said assistance is contributed by the people of the United States of America out of taxes paid by them; it is not reasonable to expect them to want to renew said assistance to countries which

permit the property of the United States of America to be destroyed and whose leaders make statements derogatory to our country.

INTERNATIONAL WHEAT AGREEMENT

The committee recommends an additional appropriation for expenses of the International Wheat Agreement in the amount of \$50 million. This amount, together with the sum of \$31,838,000 carried in the regular Agricultural Appropriation Act, makes the total available during this fiscal year of \$81,838,000. The amount recommended is \$4,956,000 under the supplemental estimate and is the same amount as carried in the House bill. The additional appropriation is necessary to meet the expenses resulting from increased volume in wheat support payments for 1965 and to cover additional unrecovered expenses for 1964 program costs.

Mr. HOLLAND. I should like to continue briefly.

COMMENTS ON ELIMINATION OF RESEARCH

The committee adopted the provision inserted in the bill dealing with the closing out of research activities because it believes that due to the long-term nature of research activities and due to the outstanding contribution that agricultural research in particular has made to the efficiency of American agriculture, that the committee should be furnished with specific details affecting the proposed elimination of research. The committee has an opportunity to consider and pass upon the funds required for the establishment of research facilities and lines of research annually when it considers the appropriation requests for this purpose. The committee believes that more detailed information should be furnished to it and considered by it, and in my opinion, whenever and wherever research is no longer making a sound contribution in light of overall research expenditures and other expenditures, it should be phased out, or eliminated.

In other words, I completely approve the general philosophy of the Secretary, that items found to be no longer needed should be discontinued. However, I believe the responsibility is not wholly a matter for the Secretary to determine, as to what items are not now serving a useful purpose in research.

The announcement of the Secretary of Agriculture, as issued in a press release, is not in conformity with the usual approach to decreases in research activity. I expect to ask the Secretary of Agriculture to furnish more specific details in regard to the lines of research and locations of research which he proposes to eliminate. In his press release of December 31, 1964, he merely announced some general criteria which were used by the Department in arriving at the decision to eliminate research activities.

I believe the committee should be advised more fully in regard to how these criteria are specifically applied to stations to be closed and lines of research to be discontinued in accordance with the announcement made by the Secretary. In addition, the committee should be promptly advised as to the original purpose for the establishment of these lines of research and research stations; the accomplishments of such research activity if any; the problems which need further investigation; a summary de-

scription of current investigations and their objectives; the economic importance of the research investigations by activities or by commodity; whether the research is directed to and results in research findings of regional or local significance; and in cases of local significance, whether the State or States involved plan to continue their research activity. Finally, any other additional pertinent data, such as the economic importance of the affected commodity, should be promptly assembled and furnished to the committee.

As chairman of the subcommittee, I would suggest that upon receipt of such data from the Department, the subcommittee be furnished with copies and give early consideration to the additional justification material supplied by the Department, and then advise the Secretary of Agriculture as promptly as possible in regard to stations and lines of research in which the committee would concur in the proposed action by the Secretary of Agriculture.

Speaking only for myself, I do not want the Secretary of Agriculture to regard the action taken today, if it be taken, as a deterrent or to discourage him from making proposals for economy in reducing the cost of administration of any agricultural activity. I am sure that a number of these research activities which are proposed to be discontinued have possibly fulfilled their original objective and may warrant closing.

Since the Congress originally supported their establishment and has approved the funds for their operation over the years, it should have an opportunity to review any proposed action by the Department to close them out—and should have the opportunity to make this review prior to actual elimination of the project or activity. The normal procedure should be followed as is the case in connection with the budgetary proposal in this year's budget for fiscal 1966 to eliminate beginning next July 1 the Federal share of financing in connection with the cooperative eradication program to control the fire ant.

I commend the Secretary in that case, for following the normal and sound approach, although I may not agree with him in his recommendation. I wish that he had followed the same type of approach in connection with the large group of closings of research activities which he has suggested on his own judgment.

Another amendment is proposed by the distinguished Senator from North Dakota [Mr. Young], the ranking member of the subcommittee which is headed by me. It is an important amendment, requested by the Department of Agriculture. An explanation of the justification for it has been given by the Department of Agriculture in a written statement. Acting for the distinguished Senator from North Dakota, I ask unanimous consent that the explanation of the Department of Agriculture be placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION SUBMITTED FOR THE COMMITTEE
BY THE DEPARTMENT OF AGRICULTURE ON
BUILDING LIMITATION

This amendment would authorize the use of available funds to provide for urgently needed temperature and humidity control at the U.S. Metabolism and Radiation Research Laboratory, Fargo, N. Dak.

The new Laboratory at Fargo is a major link in research to develop ways to control insects effectively without hazard to man, animals, and plants from residues. Research at the Fargo Laboratory includes basic studies on the metabolism of agricultural chemicals in insects, plants, and livestock, and the development of sterility techniques for the control of insects.

In designing the Fargo Laboratory, it was recognized that critical control of temperature and humidity would be required in the radiological and quarantine wings. However, based primarily on the geographic location of the Laboratory, the Department and the project architect were of the opinion that a mechanical ventilating system would be satisfactory in maintaining desired summer temperatures in the remainder of the Laboratory facility.

Operation of the installation during the past summer months has definitely proven that the mechanical ventilating system, as designed and installed, will not provide the required critical control of temperature and humidity in the remainder of the Laboratory.

Plant and animal life respond directly to changes in temperature and humidity in research, and if an experiment is to be consistent these changes must be controllable throughout the entire year. Fluctuations in temperature and humidity influence the speed and rate of absorption of test insecticides into the insect and also influence the rate of metabolism of the insecticides within the insect. A similar problem exists in studies on the relative effect of various herbicides on plants or pesticides in animals. Therefore, in order for this facility to meet the requirements of the research, it will be necessary to convert the existing mechanical ventilating systems to a system properly designed to effectively control temperatures and humidity.

It is estimated that the cost of providing the required additional facilities will be \$220,000.

Mr. HOLLAND. Mr. President, the amendment relates to the use of funds already appropriated in an amount exceeding \$200,000, to furnish humidity and temperature control facilities for the research facility at Fargo, N. Dak., which proved during the hot days of last summer to be unable to perform to advantage some of its functions due to the absence of those facilities at the station.

SALES AGREEMENT WITH THE UNITED ARAB
REPUBLIC

Mr. President, the pending joint resolution provides urgently needed funds for the conduct of mandatory agricultural programs. As passed in the other body, the resolution carried a provision that none of the appropriation under the head of "Public Law 480" shall be used to finance during the balance of the fiscal year the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such act.

In placing that provision in the resolution, the other body expressed by its action the sentiments of most Americans and many Members of Congress. Personally, I am sympathetic to the objective sought by the House. Following action by the House, the committee on

request of the Secretary of State delayed further consideration of the resolution until such time as officials of the Department of State could be scheduled to present the views of the Secretary of State. The Secretary of State, Mr. Rusk, had asked to be heard personally before the committee, but due to the delay incidental to his attendance at the Churchill funeral and his subsequent illness, our committee did not meet until February 1, when it heard Mr. George W. Ball, Under Secretary of State, speaking for himself and the Secretary of State.

Following a complete hearing before the full committee, the committee met later on February 1 and considered whether it should eliminate the provision inserted in the House or to amend it.

After thorough consideration, the committee voted to adopt the amendment which appears on page 3 of the resolution, and which has already been placed in the RECORD for the information of Senators.

It will be noted that the committee struck out the language inserted in the House and in lieu of it inserted the same language that had been stricken and added the words "except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest". The amendment reported by the committee thus provides that any action under title I of Public Law 480 be limited to the fulfillment of the existing agreement between our country and Egypt, and that such action be taken only if the President first finds it is in the national interest to do so.

Mr. MILLER. Mr. President, will the Senator yield at that point?

Mr. HOLLAND. I yield to the distinguished Senator from Iowa.

Mr. MILLER. I should like to ask a question in relation to the language which the Senator has read. Is it possible that the appropriation which is now being considered might carry over into a period following the fiscal year 1965?

Mr. HOLLAND. Not if the wording of the committee amendment is adopted. It is the purpose of the committee that funds be available only until the completion of the present fiscal year and only for the purpose of carrying out the terms of the existing contract, which has existed for nearly 3 years. Only then would the President determine whether the carrying out of that contract, or the partial carrying out of it would be in the national interest of the United States.

Mr. MILLER. I understand the latter point, but I am wondering about the significance of putting into the amendment the language "during the fiscal year 1965" to which the Senator has just referred.

Mr. HOLLAND. The joint resolution is a supplemental appropriation measure. Therefore it should properly relate only to expenditures to be made in the fiscal year 1965. Our committee was very anxious to limit the wording placed in the joint resolution by the House amendment in two additional ways. The House

limited it to no expenditures under title I. We limited it further to no expenditures under title I unless they were in fulfillment of that contract and unless they were made in the fiscal year 1965. So we think we have further limited it except for the possibility of partial or total expenditure of that balance, which the RECORD shows is about \$37 million, only in the event that the President determines that it is in the national interest shall that expenditure be made.

Mr. MILLER. That was the point which the Senator from Iowa was trying to bring out. I have seen two different interpretations of that language appearing in the press. One interpretation was that the language "and if the President determines that the financing of such exports is in the national interest" relates only to the carrying out of the agreement entered into October 8, 1962. That is one interpretation.

The other interpretation is that it not only covers that agreement, but also covers any further agreement from which these funds might flow, either during the balance of the fiscal year 1965 or after the end of the fiscal year 1965.

Mr. HOLLAND. I can say for the Senator's information that I believe it was the understanding of the whole committee—and the committee was not a unit in reporting the amendment—that we were limiting it entirely to the carrying out of the existing agreement within its allotted time period. The agreement expires June 30, 1965. Therefore, we made this appropriation entirely a supplemental appropriation, and provided for the carrying out of it only in case the President made the determination that it was in the interest of this Nation to carry it out within that time and to the degree, of up to \$37 million; if he should find it was to the interest of the United States.

Mr. MILLER. So that with respect to lines 13 and 14, which read:

And if the President determines that the financing of such exports is in the national interest—

That really means, within the intention of the committee, the same as saying—

and if the President determines that the financing of such exports under such agreement entered into October 8, 1962, is in the national interest.

That is implied.

Mr. HOLLAND. It is implied and, I believe, stated by the wording of the committee amendment, that we are discussing only the balance due upon an existing contract that we do not want to see welched upon, and only in the amount still due upon that contract, which is \$37 million. That would be the maximum which could be spent; it could only be spent up to June 30 of this year, and only then in the event such a finding should be made by the President as is stated in the amendment.

Mr. MILLER. I thank the Senator.

Mr. HOLLAND. Mr. President, I am sorry that I did not have the opportunity personally to discuss the subject with the Senator from Oregon but I understand that he and other Senators very much desire to proceed quickly to the third

committee amendment, which is the amendment that deals with Public Law 480, the contract with Egypt, and the expenditure of any Federal funds in fulfillment of that contract. For that reason I am not going to make the customary request for the adoption of all amendments, but I hope that if the Senate feels it appropriate to do so it will, adopt the two preceding committee amendments. If there is any objection to them, at least the Senator from Florida has not heard it. The Senate could adopt the amendment relating to the closing of research stations, and the explanation of the amendment offered by the distinguished Senator from North Dakota [Mr. Young]. I have already placed in the RECORD an explanation of the second amendment, which was furnished by the Department of Agriculture.

Mr. President, I hope that the Senate will be in accord with the adoption of these two amendments at this time en bloc.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MORSE. I thank the Senator very much for his usual courtesy and cooperation. I know of no objections to the first two amendments. I suggest that the Senate adopt the first two amendments en bloc, which would leave the third amendment for debate, and then we can get on with the business. I think that there will be a relatively short debate on the subject.

Mr. HOLLAND. I would be very happy if that course were followed. There is one additional comment I should like to make. If the Senator from North Dakota [Mr. Young] wishes to speak briefly on his amendment, I would desire to yield to him for that purpose.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. Mr. President the record has been made by the insertions into the RECORD made by the Senator from Florida [Mr. Holland]. So we have no further need to discuss the amendment, unless some questions are raised.

Mr. McGOVERN. The President, I am strongly in favor of the amendment offered by the Senator from Florida [Mr. Holland], which would postpone the closing of agricultural research stations such as the one at Newell, S. Dak. These facilities are urgently needed to strengthen our agricultural economy. The Newell station should certainly not be closed. If it needs modification and improvement, those changes should be made.

I hope that the Senate will approve the committee amendment so that we can carefully consider the future role of our agricultural research stations.

Mr. SIMPSON. Mr. President, the supplemental appropriations bill we are today considering has gained importance with last Monday's action by the Senate Appropriations Committee in amending it to preclude the use of Public Law 88-573 funds in the elimination of agricultural research stations.

I am gratified that Senators of the Appropriations Committee voted without dissent to attach to House Joint Resolution 234 the language:

None of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used to formulate or administer a program to eliminate agricultural research stations or lines of research until after the Congress has considered and acted upon such plans for the elimination of research in its regular consideration of the research appropriations estimates for fiscal 1966.

For this reason, if no other, I urge my colleagues to support House Joint Resolution 234.

I am firmly convinced, Mr. President, that the Secretary of Agriculture in his decision of last December 31 to close horticultural research stations in a number of States, including Wyoming, acted arbitrarily and without statutory authority. I take this opportunity to publicly thank and applaud the Appropriations Committee Senators for their attention to this question by bringing to this floor language providing that this order will not be carried out "until after the Congress has considered and acted upon such plans for the elimination of research" in the course of debate on the agricultural appropriations bill.

At this point, Mr. President, I ask unanimous consent to have printed the text of a letter I prepared January 29 and mailed February 1 to Senators of the Appropriations Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U. S. SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
February 1, 1965.

On December 31 last, the Secretary of Agriculture announced that for reasons of economy he had ordered the closing of a number of agricultural research stations, including the one at Cheyenne, Wyo. The Secretary stated that he hoped to effect savings of \$8 million and an extensive reduction in USDA personnel, both of which objectives I wholeheartedly applaud. However, a study of the Cheyenne-based research station, as well as a study of the prerogatives under law enjoyed by the Secretary, leaves me firmly convinced that Mr. Freeman, in seeking to close the research station, has acted outside the context of the law and with total reliance upon the naked power of the Presidency.

The station is the only one of its kind in the Great Plains area conducting research on shrubs, trees, windbreaks, and ornamental horticultural products and vegetable crops.

I am writing, therefore, to ask your help in maintaining this research station and to offer a brief explanation of my reasons for believing the station should not be closed.

The Cheyenne station was created March 19, 1928, by Public Law 178 of the 70th Congress. This law provides in part that: "The Secretary of Agriculture be and he is thereby authorized and directed to cause * * * an experiment station of the Department of Agriculture to be established at or near Cheyenne, Wyo."

The act further provides: "It is hereby authorized to be appropriated each fiscal year necessary appropriations to enable the Secretary of Agriculture to carry on the experiments contemplated by this act."

Public Law 178-70 is codified (7 U.S.C. 387, 387-A) and is not amended. The Secretary is not empowered under Public Law 178-70

or under any general or unique powers given him by the Congress to close the Cheyenne station.

In a document on this question prepared at my request by the Library of Congress, the conclusion is reached that: "Since the Secretary does not appear to have been accorded any express statutory authority to close any one of these (agricultural research) stations on the ground of obsolescence or for any other specific purpose * * * [this] would appear to represent another attempted exercise by the President of a power to impound appropriated funds and thereby prevent their disbursement."

The Library of Congress report further states (in quoting 7 U.S.C. 361a to 361e, 387-390k) that Congress "has made it abundantly clear that these research stations were designed as permanent installations the continued operation of which was to be suspended for any appreciable duration only by warrant of statutory authority."

The importance of the agricultural research station to Wyoming is evidenced by press dispatches from my State's capital city, as well as by letters from scores of individuals and organizations all of whom, like myself, applaud true economy in government but cannot see justification in the closing of this important research facility.

It should be pointed out here that the research station is responsible for the most part in developing shelter-belt trees and shrubs over an area which includes about 150,000 square miles in sections of Wyoming, South Dakota, Colorado, Nebraska, and Kansas. The station is credited with developing the first strawberry plant hardy enough to survive the rugged Western and Great Plains weather, and it is currently testing new potato crosses from the Greeley, Colo., area.

It is impossible to estimate the savings to ranchers and farmers realized as a direct result of this station's 28 years of operation, but it has certainly been many times more than the facility's modest \$206,000 annual budget.

In an editorial from the January 4 Cheyenne, Wyo., State Tribune, the Secretary's economy argument is directly challenged. Says the newspaper: "We challenge the fact that any saving will be achieved at all * * * It merely produces the total disappearance of a function that has existed for nearly four decades in this region, working for the betterment of plant production." Copies of the Tribune editorial and a Wyoming Agriculture Department news release are enclosed with this letter.

Another point I should raise is that this dilemma facing the people of the Rocky Mountain West is not analogous to similar action by the Secretary of Defense, who does have the statutory authority to close certain facilities under his Department. Such specific authority has not been granted the Secretary of Agriculture by the Congress.

As I said at the outset, Senator, I need your help. It is my belief, based upon careful research, that the horticultural plant breeding station at Cheyenne is irreplaceable within the context of its expenditures. The information gleaned from research at this facility is of vital importance to farmers and ranchers throughout the West, and I am convinced further that the station does not constitute a financial liability but that it is, in fact, a most worthwhile and economical facility. Unless the Congress acts, however, it will be closed some time between April 1 and June 30 of this calendar year.

I ask that you use your influence and position on the Senate Committee on Appropriations in an effort to restore funds for this project when the appropriate legislation comes before your committee.

If the 89th Congress appropriates funds to provide for the facility at its present level of operation, I believe the station can be

perpetuated despite the Secretary's wish that it be closed.

I welcome the opportunity to discuss this with you, and I thank you for your attention to this lengthy correspondence.

Sincerely yours,

MILWARD L. SIMPSON,
U.S. Senate.

Mr. SIMPSON. Mr. President, I have also written Secretary Freeman directing his attention to the points of law propounded in my letter to Senators. I have yet to receive the Secretary's reply.

Mr. President, the agricultural research station at Cheyenne is the only one of its kind in the Great Plains area conducting research on shrubs, vegetable crops, and windbreaks—areas of research vitally important to farmers and ranchers courageous enough to stake their future on the fickleness of nature in the Great Plains and Rocky Mountain area. This station was established by an act of Congress—the 70th Congress—on March 19, 1928.

I am unalterably opposed to this station's termination through Executive fiat or bureaucratic caprice. If the language of the Senate Appropriations Committee amendment to House Joint Resolution 234 is adopted, this station will have a new lease on life, and the Congress will have ample opportunity to perpetuate or terminate that which it created more than a quarter century ago.

The VICE PRESIDENT. The Chair understands that the first two committee amendments may be considered en bloc. The amendments will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, after the figures "\$1,100,000,000", it is proposed to insert a colon and the following provisos:

Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used to formulate or administer a program to eliminate agricultural research stations or lines of research until after the Congress has considered and acted upon such plans for the elimination of research in its regular consideration of the research appropriation estimates for fiscal 1966: *Provided further*, That not more than \$220,000 of the funds appropriated for "Salaries and Expenses, Research, Agricultural Research Service" in the Department of Agriculture and Related Agencies Appropriation Act, 1965 (78 Stat. 862), shall be available until expended, without regard to any limitations included in that Act, for alterations necessary in connection with the installation of temperature and humidity control equipment for the Metabolism and Radiation Laboratory, Fargo, North Dakota.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments were agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, it is proposed to strike the language—

Mr. HOLLAND. Mr. President, the legislative clerk read both of the preceding amendments together.

The VICE PRESIDENT. That is correct. They were considered en bloc.

Mr. HOLLAND. I thank the Chair.

The VICE PRESIDENT. The third committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 3, after the figures "\$200,000,000", it is proposed to strike out the colon and "*Provided*, That no part of this appro-

priation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act" and insert "*Provided*, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest".

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The Chair recognizes the Senator from Florida.

Mr. HOLLAND. As I understand, the amendment just read is the one about which the Senator from Oregon had some questions, and perhaps other Senators have similar questions. I ask, therefore, for the immediate consideration of that amendment.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 3, after line 3.

Mr. MORSE. Mr. President, I think the parliamentary situation is perfectly clear; but I want to leave no room for doubt about it. So I shall raise a parliamentary inquiry or two, and then suggest the absence of a quorum. The call need not be for a full quorum. However, I promised certain Senators that when this particular amendment was reached, I would see to it that there was a quorum call.

Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Oregon will state it.

Mr. MORSE. As I understand, the amendment now pending is the amendment to the appropriation bill that proposes to modify the action taken by the House in regard to the so-called Nasser issue, involving the shipment of Public Law 480 food to Egypt.

It seems to me that we are indebted to the Senator from Florida [Mr. HOLLAND] for bringing this amendment to us in the most simple form, a form that calls for either the acceptance or the rejection of the Senate committee's amendment.

Mr. President, am I correct in my understanding that if the Senate should reject the amendment offered by the Senate Committee on Appropriations, that would then leave the bill in the same form in which it came to the Senate from the House; namely, that it would contain the House action which seeks to deny the administration the authority to ship some \$37 million more of Public Law 480 food to Egypt?

The VICE PRESIDENT. As the Chair understands the inquiry of the Senator from Oregon, if the amendment proposed by the Senate Committee on Appropriations were rejected, the situation would be that the language that came to the Senate committee from the House would remain in the text of the bill now before the Senate.

Mr. HOLLAND. The Chair means on this one point, does he not?

The VICE PRESIDENT. That is correct; the so-called third amendment in the joint resolution.

Mr. MORSE. That is why I commend the Senator from Florida for handling the problem procedurally in the way he has. It provides the Senate with a clear-cut issue to vote up or down. I should not think the debate need be long. I shall make a short speech if I am recognized after the quorum call.

Unless the Senator from Florida wishes to make some comment, I suggest the absence of a quorum.

Mr. HOLLAND. That is perfectly acceptable to me.

Mr. MORSE. Mr. President, the majority leader has suggested that I might wish to protect my right to the floor, if I can obtain unanimous consent to proceed with my speech immediately after the quorum; so with that understanding I ask unanimous consent that I may suggest the absence of a quorum. I suggest the absence of a quorum.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I suggest that the quorum be live and that Senators be notified.

The VICE PRESIDENT. The clerk will call the roll.

[No. 15 Leg.]

Aiken	Harris	Morton
Allott	Hart	Mundt
Anderson	Hayden	Murphy
Bartlett	Hill	Nelson
Bass	Holland	Neuberger
Bayh	Hruska	Pearson
Bennett	Inouye	Pell
Bible	Javits	Prouty
Boggs	Jordan, N.C.	Proxmire
Brewster	Jordan, Idaho	Randolph
Burdick	Kennedy, Mass.	Ribicoff
Byrd, Va.	Kennedy, N.Y.	Robertson
Byrd, W. Va.	Kuchel	Saltonstall
Cannon	Lausche	Simpson
Carlson	Long, Mo.	Smathers
Case	Long, La.	Smith
Church	Magnuson	Sparkman
Clark	Mansfield	Stennis
Cooper	McClellan	Symington
Cotton	McGee	Thurmond
Curtis	McGovern	Tower
Dirksen	McIntyre	Tydings
Douglas	McNamara	Williams, N.J.
Eastland	Metcalf	Williams, Del.
Ellender	Miller	Yarborough
Ervin	Mondale	Young, N. Dak.
Fannin	Monroney	Young, Ohio
Fong	Montoya	
Gore	Morse	

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. McCARTHY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Utah [Mr. MOSS], and the Senator from Maine [Mr. MUSKIE] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The PRESIDING OFFICER (Mr. INOUYE in the chair). A quorum is present.

Mr. MORSE. Mr. President, before I proceed with my statement, with many Senators present in the Chamber, I believe I should state the parliamentary situation. With the cooperation and unfailing courtesy of the Senator from Florida [Mr. HOLLAND], we are in a situation in which the pending amendment is the Appropriations Committee's amendment dealing with the issue of whether or not \$37 million worth of Public Law 480 food should go to Nasser if the President, in his discretion, should decide it is in our national interest to send it to Nasser.

That is the way it ought to be done. We ought to vote it up or down. The issue before us now is whether to support the committee amendment, which would permit the food to go to Nasser if the President should decide it is in the national interest, or follow the House position of not sending it to Nasser.

The senior Senator from Oregon takes the position that the Senate should take the position taken by the House, for reasons that I shall set forth, I may say for the relief of all Senators, in a relatively brief manuscript.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. JAVITS. Will the Senator clear up one question? Apparently there are contracts covering certain amounts of food aid which are not covered in the \$37 million, and the \$37 million is an uncommitted fund. I ask the Senator whether or not it is clear that the House language deals only with the \$37 million and does not affect any agreement, though there may have been no deliveries under it yet, which relates to specific items of food.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. HOLLAND. As briefly as I can, I shall explain the situation. This contract, soon to be 3 years old, expires June 30, 1965, and approximately \$37 million of commodities, distributed between three of the commodities covered by the agreement, have not yet been committed in any way to Egypt for delivery.

There is an additional amount, which I think has caused the question by the Senator from New York, of some \$30 million, which was asked for by Egypt, and, with respect to which commitment was given. About half of it has been actually contracted for by distributing firms in this Nation, since the distributions are handled that way.

It is my understanding that this amendment not only does not cover that half which is being handled, and some of it may be on the water; it does not cover the other substantially \$15 million worth, because that has been completely committed to Egypt and it is presently being farmed out to the various distribution agencies and businesses of this Nation, and through similar businesses in Egypt. No contention has been made—in our committee, at least, or otherwise; and I do not make any such contention—

that any part of the \$30 million is involved in this issue.

It is my belief, from all the evidence presented and from every statement I have been able to obtain, that the only thing involved is whether or not the \$37 million shall be left in the joint resolution, and to allow the President to determine in his discretion, that it is in the national interest to deliver any part of that \$37 million commitment.

Mr. JAVITS. I thank the Senator.

Mr. MORSE. I say to the Senator from Florida that that is my understanding.

Mr. JAVITS. Am I to understand that in the Senator's effort to persuade the Senate to accept the House language, which would have the net effect of rejecting the Senate committee amendment, the Senator makes no contention that the House language would inhibit action as to any other commitment, but only as to the \$37 million? Of course, that strips of validity the argument that we are going back on a contract or contracts which may be in channels of distribution.

Mr. HOLLAND. Mr. President, if the Senator will yield, I ask unanimous consent to have inserted in the RECORD from page 89 of the printed hearings the list furnished by the Department of Agriculture showing the commodities still undelivered, amounting to \$36,972,000, broken down into four different groups. The largest is for wheat and there is a smaller amount for vegetable oils. There is a small amount for NFD milk, and a small amount for tobacco.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

<i>Funds remaining available for new PA's (Jan. 28, 1965)</i>	
Commodity:	Millions
Wheat.....	\$22.432
Corn.....	
Vegetable oils.....	5.59
Tallow.....	
NFD milk.....	0.1
Poultry.....	
Tobacco.....	8.85
Dry beans.....	
Butter-butter oil-ghee.....	
Cheese.....	
Beef.....	
Total.....	36.972

Mr. HOLLAND. I make the statement again for the RECORD. I understand that my learned friends from New York and Oregon agree that this is what is involved in the language of the House, and therefore in the amendment of the Senate committee.

Mr. JAVITS. The important thing that we are seeking to do is to show our disapproval of Nasser's policy. It should not be complicated with any other questions of contracts, or food which people expect—and have the right to expect—or anything else. It is a straightforward issue: how to show how thoroughly we disapprove.

I thank the Senator.

Mr. MORSE. Mr. President, because I believe that continuity of presentation is important to an understanding of my position in connection with this amendment, I shall not yield until I finish my

brief speech, and then I shall be happy to yield for any questions Senators may wish to ask.

Mr. President, the committee amendment to the House amendment on food sales to the United Arab Republic should be rejected. It simply restores the sale of food to that country through June 30, 1965, and nullifies the House amendment.

The committee amendment states that funds appropriated may be used to carry out exports to the United Arab Republic under the sales agreement entered into in October of 1962 if the President determines that the financing of such exports is in the national interest.

Since the administration has been continuing sales under that agreement, we know that it has already made the determination mentioned. We also know that despite what Under Secretary Ball has told the Appropriations Committee, that the President is not necessarily going to carry it out, our Ambassador in Cairo has been working hard to assure Nasser and his officials that the administration is doing everything it can to carry it out.

The New York Times of February 2 carries the story. It says:

But Mr. Ball made clear that it was by no means certain the President would so decide.

"I'm not saying the President is necessarily going to carry it out," he said.

Two columns over is its special report from Cairo, dated February 1. It says in part:

Ambassador Battle met with President Nasser tonight to outline the administration's effort to continue American food shipments to Egypt, and to discuss the future of the aid program.

Later in the same story:

In the last few days Mr. Battle is understood to have given high Egyptian officials reassurances of the administration's intention to continue aid to the United Arab Republic.

Experience has taught me that what the U.S. State Department tells foreign governments is far more reliable than what it tells the American Congress.

I would even go so far as to say that the Department would tell Congress almost anything to get past this potential legal limitation on food sales to Egypt. It, too, has learned by experience that Congress is too timid to exercise its own powers in these matters. It knows that we are, indeed, the sapless branch because we are afraid to exercise our constitutional powers where they have an effect upon international issues or problems. So we delegate one more congressional function to the executive branch, and thereby bleed a little more of the sap from our veins.

We hear from the administration that it needs flexibility, although it never flexes but only bends before any demands made upon it by a foreign government.

We hear it said that "the stakes are high in the Middle East," which is the euphemism for American oil interests. We hear that if the United States does not meet Nasser's price the Russians would be glad to, because it would give them additional influence upon our oil interests.

In fact, I understand that the Under Secretary of State never even so much as whispered the word "oil" during his testimony before the Appropriations Committee. However, the American people can be sure that oil is always uppermost in the minds of the top officials of the State Department when they are trying to sell a program to the Congress in getting along with the dictators of the Middle East and, for that matter, dictators in other parts of the world, such as Sukarno in Indonesia.

Although it may be said that Egypt does not have oil, the fact is that Nasser is the chief political leader of the Arab world, and his political power in the Arab world stands as a constant threat to American oil interests. Any time he wants to make trouble for us, he can use his political power in the Arab world to start a diplomatic squeeze play on oil.

It needs to be pointed out to the American people that American foreign policy in many parts of the world oozes with oil. Prick that foreign policy in many places, and oil diplomacy oozes out.

What does the oil-oriented State Department suggest to the Congress in response to Dictator Nasser's vicious anti-American campaign after a USIS library of thousands of volumes is sacked and burned and the building destroyed, after uncontrolled mobs are allowed to destroy American property and deface American symbols, after Nasser makes not one but several speeches insulting the United States and in effect, uses an Arab figure of speech which in American vernacular means, "Go jump in the lake"?

The oil-oriented State Department oozes forth with the proposal that we must try to get along with Nasser by sending him \$37 million more of Public Law 480 food that belongs to the taxpayers of the United States.

In Indonesia, another dictator, Sukarno, does not tell the United States to go jump in the lake, he actually tells us to take our aid and go to hell.

What does the oil-oriented State Department do in response? It engineers the White House into continuing the full delivery of foreign aid to Sukarno in spite of the fact that Congress, in the last session, notified the White House by an amendment to the foreign aid bill that it was opposed to sending more foreign aid to Indonesia. It is true that the so-called Presidential escape clause was attached by the Congress to the restriction on aid to Indonesia. This escape clause permitted the President to send aid to Sukarno if he, the President, found and reported to the Congress that, in his opinion, it was vital to the interests of the United States to continue the aid.

Congress cannot justify giving any such unchecked power to the President of the United States. Under our system of checks and balances, Congress has the legislative authority to determine what countries shall get aid, in what amount, and under what conditions. It should not delegate that authority to the President. We are dealing here not with any inherent power of the President. We are dealing with the statutory power of Congress. Foreign aid rests upon the statutory power of Congress exercising its

legislative power over the expenditure of hard-earned taxpayers' dollars, which constitutes no interference with any right of the President.

Any time the President believes that it would be in the vital interest of the United States to supply foreign aid to any dictator who is threatening to drive American interests out of his country, and who insultingly tells the United States to take its aid and go to hell, he can either appear before the Congress or send a message to the Congress requesting legislative action by way of passing a special bill granting such aid. Of course, we all know that if Congress would stop abdicating its legislative power in the field of foreign aid by delegating it to the President and started requiring the President to get specific legislative approval covering such shocking fact situations as exist in Indonesia, the President would never be able to get the legislation passed. He would not be able to get it passed, because American public opinion would rise up in opposition to it. Then Congress would recognize the force of that public opinion.

The behind-the-scenes maneuvering of the State Department which it has been doing in connection with Nasser and Sukarno is a good example of what I mean when I say that the American people are having concealed from them time and time again the background facts and motivating causes that are producing the many unsound recommendations of the State Department to the White House in the field of foreign policy.

I am satisfied that one of the major reasons for our State Department's appeasement policies toward Sukarno is spelled out in a three-letter word—oil. Most Americans do not know that there is a billion to a billion and a quarter dollars worth of American oil investments in Indonesia, in addition to which other governments, such as the British and the Dutch have extensive investments in Indonesia. The most reliable information I have been able to find is that oil production in Indonesia amounts to at least 444,000 barrels a day. Esso has a refinery in Indonesia with a run of 65,000 a day. The Shell Refinery has a run of 85,000 barrels. Pan-American Oil Co. entered Indonesia in 1963. The Union Oil Co. has engaged in talking negotiations at least with the Indonesian Government. Caltex Pacific Oil Co., California & Texas Oil Cos., Standard Oil of New Jersey, Shell Indonesia owned by British and Dutch interests are the major oil companies operating in Indonesia. The oil export from Indonesia is estimated to be a minimum of \$250 million a year. All these oil companies have had a great deal of trouble with Sukarno, because from time to time, he has threatened to nationalize them and take them over.

American oil companies are rushing as fast as they can to build a huge refinery in South Vietnam. That will not be the last one, if we continue our policy in South Vietnam. I am one Senator who will not sacrifice American boys for oil anywhere. The American people will not be either when they get the facts.

In 1963, Sukarno went to Tokyo, and representatives of the American Government carried on long negotiations with him, resulting in a so-called oil contract agreement.

I am discussing the Indonesian situation, long with the Egyptian situation, because we are dealing with two tyrants of the same stripe, and we are dealing with two tyrants who are following the same tactics. Thus far they have been able to have their way with our State Department, which in my judgment, is following a shameful program of appeasement of dictators in many facets of American foreign policy.

How long this will last in Indonesia, is, of course, up to Sukarno. With his cuddling up to the Chinese Communist leaders, as evidenced by the recent trade and economic and military aid agreement, announced as a result of the negotiations with the Chinese leader and Sukarno's foreign minister, Subandrio, in Peiping, I am willing to make judicial notice that it is only a matter of time before the oil-oriented diplomacy of the State Department in Indonesia will be in more trouble.

In a very real sense, the economic aid that our Government has been supplying Sukarno to the expense of the American taxpayers constitutes a form of economic subsidy to American and foreign oil interests in Indonesia. To put it more bluntly, it is protection money; it is pay-off money; it is bribe money.

When are we going to learn that these international crooks, such as Nasser and Sukarno, will not stay bought? We only stultify our own country by engaging in such corrupt oil-oriented diplomacy. Sooner or later, Communist-oriented Sukarno is going to throw us out of Indonesia anyway.

The American taxpayers are entitled to have our Government stop throwing away their money in such places as Egypt and Indonesia. The American people are also entitled to have their Congress exercise its checking power upon the executive branch of Government by refusing to pass foreign aid legislation in such form as permits the State Department and the Pentagon Building and the White House to implement with American taxpayers' dollars such unsound foreign aid programs as the State Department and the White House propose to continue to implement in Egypt and Indonesia.

I ask unanimous consent that certain articles on this subject be inserted in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, the amendment before the Senate places squarely before the Senate both an opportunity and a duty to stop the State Department and the White House from continuing an unsound aid program in Egypt. Nasser, by his anti-American course of action, has abrogated any claim on his part to a continuation of American foreign aid. That is an elementary tenet of contract law. The U.S. Government owes it to the American tax-

payers to stop sending to Nasser \$37 million worth of Public Law 480 food which is what we would be sending if the Senate Appropriations Committee action should stand. In my judgment, if the State Department has its way, that is what we will be sending. Not only that, but if the Senate folds in regard to this item of foreign aid, I am satisfied, judging from past experience with the State Department, that we will have in the not too distant future some more oil-oriented foreign policy proposals made to us for a continuation of another round of economic aid to Nasser.

The coating of oil slick should be removed from the cloak of American foreign policy, and the issue raised by this amendment offers the Senate an opportunity to back up the House in the foreign aid drycleaning job it started. I would have the Senate take a further look at Nasser's policies as an aggressor and a dangerous threat to peace in the world.

Nasser invades the Yemen at a very high human and financial cost; he aids the Congo rebels and we offset it by raising our own aid to Tshombe; he maintains a costly military establishment reinforced by a nuclear and missile research program; he enables Egyptian students to attack and burn the property of the U.S. Government. But still and all, so long as he does not move against our oil interests there are those who still believe he is deserving of the largess of the American taxpayers.

Humanitarian aid? No, Mr. President, we are not talking about humanitarian aid under Public Law 480. That is not involved here. The House amendment did not in any way touch the food the President may give away under title II to meet the food needs of people stricken by famine or other natural disaster.

Nor did the House language stop the sale of food under Public Law 480 for hard currency. That involves some contracts, to which the Senator from New York has referred. We can still sell it to Nasser for hard currency. He would not want much under those conditions. Only soft currency sales are affected by the House amendment. This is another concealment of cause and effect from the American people with respect to foreign aid and foreign policy.

People talk about sales for soft currency. They say to the American people that the soft currency piles up. To a large extent it is no sale at all, because only a small part of the soft currency ever benefits the American people. Under international arrangements, we cannot even spend that soft currency unless we obtain the consent of the country in which the currency is stored. We have great stacks of it around the world, and we are not able to spend it, because before we can spend it we must obtain the consent of the country involved, and it must first make a finding that its use will not cause any monetary or economic problem within that country.

That is why Senators have not found me enthusiastic about so-called soft sales. It is much better to make loans and to have them paid back in the course

of time in hard money at interest rates which cover the cost of the use of the money for the protection of the American taxpayer, thus giving us a very interesting check, which results in a remarkably practical assurance that they will not be asking for loans except for projects that are feasible, for projects that will pay out, for projects that are economically sound, culturally desirable, and will help raise the standard of living of the people. That is what we are interested in.

Mr. President, we shall win this great contest between totalitarianism—the most vicious form of which communism—on the one hand, and freedom on the other. We must follow a foreign policy that will bring the benefits of economic freedom to the masses of the people in the countries which we seek to help.

I shall continue to do everything I can to help support programs that will help the people of Egypt and the people of any Arab State. We shall not help them if we turn the control over to their dictators, for their dictators have demonstrated time and time again that it is not people that constitute their primary concern. That is why we must try to devise loan programs invested in given projects that will give definite benefits to the people in order to raise their standard of living.

So, Mr. President, I say that there is no humanitarian aid involved in the subject matter of the amendment.

It is only the soft currency sales that are affected by the House amendment. It is only the soft currency sales that permit Nasser to import American foodstuffs, sell them within the United Arab Republic, and use the proceeds for the purposes of government specified in the agreement. American food on those terms permits the United Arab Republic to finance its foreign aggressions and intrigues out of income it would otherwise have to spend to feed its people.

What we are in fact doing to a remarkable degree in regard to the sale of food to Nasser is helping Nasser to invade Yemen. We are helping Nasser to carry on his support of the rebels in the Congo. We are helping Nasser to build up a foreign policy pattern in the Middle East that jeopardizes the best interests of the United States. It may not jeopardize the present immediate best interests of the oil companies. But, Mr. President, it does not advance the cause of human freedom around the world; it sets it back. We must follow through on these sales. We must analyze what the benefit of this food is to Nasser as a dictator in carrying out a foreign policy that shocks the free world, a foreign policy of aggression, a foreign policy that, if we do not stop it, will fan the flames of a great war in that part of the world.

Mr. President, we cannot put our stamp of approval upon Nasser's foreign policy. We cannot escape the hard, cold, financial fact that we are helping him financially by this program; and when we help him financially, we in fact indirectly help finance his shocking foreign policy program.

I tell Members of Congress that once this bill is enacted without the House amendment in it, the State Department will furnish the remainder of the \$30 million under the existing agreement, the \$37 million more that Nasser was expecting to receive under the agreement, and it will negotiate a new agreement to replace the one that expires on June 30 of this year.

Senators can talk all they like about what promises were made about "consultation" with Congress or a committee of the Congress. But no committee can speak for the Congress. In order to avoid floor action in the two Houses of the Congress, one of the gimmicks of the State Department in recent years, by way of retreat—and they do not even like to make this retreat—is to try to offer to the Congress some arrangement whereby they will "consult" with some committee. Committees are not the Congress. If we are to carry out our responsibilities under the checking system of the Constitution, we must insist that those questions be determined by both Houses of the Congress. The "gimmick" of a consultation with the committee, in my judgment, is nothing but an evasive, digressive strategy.

The only consultation that will take place will be that which informs us as to why a certain thing was done. That is the conception of "consultation" that is practiced with Congress on the administration of foreign policy legislation.

We have put ourselves in this position by accepting time after time, year after year, the same excuses and arguments for "executive flexibility." Our constituents know, of course, that the Constitution gives to Congress the powers that are being exercised under this bill. It does not give them to the executive branch. Every insult, every intrigue against American friends in Africa and the Middle East which Nasser undertakes with American subsidy is the fault and the responsibility, in the last analysis, of the Congress, not the President, because we authorized it and we allow it to continue, unless we start stopping it here this afternoon. By continuing aid under these circumstances, we invite others to imitate and improve upon Nasser's blackmail technique of getting aid from the United States.

We cannot really evade this responsibility by turning the decision over to the executive branch to make. I think most of our constituents have already seen through that.

The committee amendment means that Nasser's United Arab Republic is to continue receiving American food, and I believe it should be rejected.

Mr. President, as I said at the beginning, the parliamentary situation gives us a clear choice—the choice of voting again to delegate to the President more power that belongs under the Constitution of the United States to the Congress, or to exercise our legislative responsibility for foreign aid. If extraordinary circumstances develop during the life of administering a foreign aid program, and the President would like to do something with a program which the Con-

gress has not legislatively authorized him to do, let him send up a message. Let him, in keeping with our system of checks and balances and in keeping with that great program of a three-branch system of government, coordinated and coequal, carry out his function as President. He can respect that system by saying to Congress, "I send you this message and request legislative action to carry out the following suggestions. I think X country, in spite of a course of action that it has followed, ought to receive Y dollars of aid."

Then let us debate that aid proposal. Then we shall be carrying out our system of three coordinate and coequal branches of the government. That is not what the committee amendment says. The committee amendment says, "Let the President decide it for us."

I close by saying that this amendment by the committee is really another proposal to surrender more legislative power to the executive branch of Government.

This proposal is to enlarge the power of the President. I respectfully submit, because I am a supporter of the President—and I yield to no one in my support of the President—that I have a duty and a trust to disagree with him when I am satisfied that he proposes something that is not in the public interest. The President's attempt to obtain this enlarged delegation of power this afternoon is not in the interest of the people of this country, and the President should be stopped in his attempt to obtain such authority.

I close by urging the Senate to reject the amendment of the Senate Appropriations Committee, which has become known in this debate as amendment No. 3. By rejecting it, the bill will be left with the House language in it; and when the House language is left in it, Nasser will not get the \$37 million worth of food. But he will get something else. He will get an answer from an America that is finally awakened to the responsibility of making clear to tyrants such as Nasser, Sukarno, and the others that we cannot be blackmailed and will not continue a program which, if we continue it, will be interpreted by many as a foreign aid program based upon the false notion that we can buy tyrants and that they will stay bought.

EXHIBIT 1

[From the New York Times, Feb. 2, 1965]
SENATE UNIT EASES BAN ON CAIRO FOOD: APPROPRIATIONS PANEL HEEDS WHITE HOUSE PLEA FOR FREE HAND IN AFRICA

(By E. W. Kenworthy)

WASHINGTON, February 1.—The Senate Appropriations Committee voted today to let President Johnson complete a surplus food sales agreement with the United Arab Republic if he finds it in the national interest.

Last Tuesday the House of Representatives, by a vote of 204 to 177, declared that no part of the \$1.6 billion supplemental appropriation for the Commodity Credit Corporation could be used to finance food exports to the United Arab Republic.

The House action would have meant that \$37 million worth of commodities—all that remains of \$431.8 million worth that the United States agreed 3 years ago to sell to the United Arab Republic for local currency—would not have been delivered.

[In Cairo, President Gamal Abdel Nasser conferred with Ambassador Lucius D. Battle in their first meeting this year. West Germany's Ambassador to Cairo was called home to report on the worsening relations between Cairo and Bonn.]

Today the Senate Appropriations Committee, by a vote of 17 to 6, agreed to retain the House ban, but then added the following language: "Except when such exports are necessary to carry out the sales agreement entered into October 8, 1962, as amended, if the President determines that the financing of such exports is in the national interest." Thus did the committee accede to the administration argument that Congress should not limit the President's constitutional responsibility in foreign affairs, while registering at the same time its disapproval of continued aid to President Nasser as long as he persisted in anti-American acts and speeches.

The administration was not only agreeable to the action of the Senate committee but also welcomed it. A nose count had indicated that the Senate might well go along with the House unless the President himself took responsibility for carrying out the remainder of the agreement.

In fact, the committee did exactly what Under Secretary of State George W. Ball requested it to do during testimony this morning.

Mr. Ball said that relations between Washington and Cairo in recent weeks "have been anything but satisfactory." He candidly admitted that it was impossible to say "whether it will be possible to bring about the kind of understanding between the United States and the United Arab Republic that can contribute to peace and stability in the Near East and in Africa."

EFFORT NEEDED

If relations are to be improved, he went on, "it will take a substantial effort by the United Arab Republic and not merely by the United States."

The State Department is not advocating "a policy of weakness," Mr. Ball said. He said U.S. relations with the United Arab Republic involved a "highly moving situation," and it was necessary to proceed "with coolness and great caution."

"All I'm saying is that the President should have power to complete it (the agreement) if he decides it is to the advantage of the United States," Mr. Ball said.

But Mr. Ball made clear that it was by no means certain the President would so decide.

"I'm not saying the President is necessarily going to carry it out," he said.

Meanwhile, it was learned that the President was considering sending letters to Senators MIKE MANSFIELD, of Montana and EVERETT MCKINLEY DIRKSEN, of Illinois, the Democratic and Republican leaders, which would set forth the administration's policy toward Egypt.

URGED BY SENATORS

Several Senators have urged the President either to send such letters or to make a White House statement of policy in order to reassure some Members and give others a defensible explanation to their constituents for not supporting the House action.

Nevertheless, some officials said today that the President was resisting either a statement or a letter to the Senate leadership.

In a brief floor speech today, Senator JACOB K. JAVITS, Republican, of New York, said he wanted to give the President a free hand in foreign policy. But he said that unless there was some assurance that the United Arab Republic "will not torpedo U.S. foreign policy, then I think we have no alternative but to go along with the House."

State Department officials emphasized today that the administration was as angry as Congress over the supplying of arms to the

Congolese rebels by the United Arab Republic, the burning of the U.S. Information Library in Cairo and President Nasser's telling the United States to take its aid and "jump in the Mediterranean."

Mr. Ball assured the committee today that the administration would consult Congress before undertaking new aid agreements with the United Arab Republic.

For its part the committee added two paragraphs to its report on the bill that were a warning both to the administration and President Nasser. It said:

"It is further the policy of Congress that most careful consideration should be given by the responsible agencies of our Government concerning the continued provision of assistance under this act to countries that are, directly or indirectly, hostile to the United States, or that are providing assistance to groups or to countries that are acting against the best interests of the United States."

"In exercising said provisions of assistance, the Congress emphasized that said assistance is contributed by the people of the United States of America out of taxes paid by them; and it is not conducive for them to want to continue said assistance to countries which permit the property of the United States of America to be destroyed and whose leaders make statements derogatory of our country."

NASSER MEETS WITH ENVOY

CAIRO, February 1.—Ambassador Battle met with President Nasser tonight to outline the administration's efforts to continue American food shipments to Egypt, and to discuss the future of the aid program.

Qualified sources said Mr. Battle also talked with the Egyptian President about the Congo situation where previously Washington's and Cairo's policies have clashed.

It was their first meeting since December 19 and since President Nasser had publicly accused the Ambassador of arrogance and rudeness toward Egypt in a pre-Christmas speech.

TENSION RELAXES

Despite the congressional battle over Egyptian aid, the atmosphere of American-Egyptian relations has relaxed considerably here. Constant Egyptian speculation that Ambassador Battle would be replaced has ceased and a number of high Egyptian officials have privately complimented the Ambassador.

Although neither side would go into specifics of the discussion today, diplomatic sources disclosed that recently the United States has been sounding out a number of African governments on the possibilities of working out a compromise government in the Congo with Moise Tshombe removed from the scene.

It was presumed that this was touched upon tonight.

On the aid question Mr. Battle took with him late reports of the administration's campaign to beat off House restrictions on surplus food shipments in return for local currency.

In the last few days Mr. Battle is understood to have given high Egyptian officials assurances of the administration's intention to continue aid to the United Arab Republic.

[From the New York Times, May 21, 1963]
OIL FIRMS BOW TO INDONESIAN CONTRACT TERMS

(By Ronald Stead)

DJAKARTA, INDONESIA.—Three major foreign oil companies in Indonesia have just agreed to the Government's new conditions to turn over to it 60 percent of their proceeds from oil extraction.

The companies involved are Standard Vacuum of California, American Caltex, and British-Dutch-owned Shell.

This is the shape of things to come for all foreign companies allowed to work Indonesia's rich oil resources. One company, Pan-American Oil of Chicago, is already implementing the first such new-style accord.

SURVEY COMPLETED

It recently completed an aerial magnetometer survey over 13,000 square miles of Sumatra. Pan-American's next development is a seismograph study which will pinpoint oil location so that rigs for drilling can be brought in early next year.

Pan-American Oil paid a nonrefundable bonus of \$5 million to the Indonesian Government in order to become contractor to the state-owned oil company named "Pertamin," and it has undertaken to pay another \$5 million bonus after oil production has reached exploitable quantities.

THE 30-YEAR PACT

The area available to Pan-American is 25,000 square kilometers in central Sumatra adjacent to the Caltex workings.

The agreement to share the crude oil value in the ratio of 60-to-40 percent is valid for 30 years, the first 10 being utilized for exploration and the remaining 20 for exploitation.

An authoritative official of the company who furnished this correspondent these details says that about 500 Indonesians are employed so far and there has been no labor trouble worth mentioning.

Indonesia's Communists, who dominate the labor unions, object to the new system for foreign participation in the country's oil potential and urge nationalization.

MAJOR REVENUE SOURCE

Indonesia supplies only 2 percent of the world's oil but this contributes 40 percent to Indonesia's total income from exports.

Under the new plan which the Government is imposing, foreigners become contractors not lessees. In other words, Indonesia's mineral rights are not going to be leased to non-Indonesians any more. Contractors furnish all the technical and financial outlay.

The three big companies—Stanvac, Caltex, and Shell—that have been installed in Indonesia many years do not look favorably on the terms they were told they must accept by June 15 if they desired to continue production in this country.

Under an Indonesian law passed 3 years ago, all previous concession rights were abolished. But the companies were allowed to continue working under the old plan until a new agreement was reached.

CONCESSIONS ENDED

Talks have been in progress more than 2 years, with the companies holding out for something better than 40- to 60-percent division of the financial yield from crude oil production.

The regulation containing the June 15 ultimatum became effective April 26.

TIME LIMIT IMPOSED

It said that the foreign companies had been given enough time to accommodate themselves to Indonesia's new oil policy and had failed to carry out the requirements of a Presidential decree issued in 1962. The resultant situation required imposition of a time limit, the order declared—hence the deadline.

Had any company decided to terminate operations in Indonesia, it would have been given 5 months in which to do so—under conditions to be announced.

Indonesia's take-it-or-leave-it attitude concerning oil emphasizes President Sukarno's goal of independence at any price.

So far as the national economy is concerned, the price now is higher than ever before—with the foreign exchange reserve exhausted, inflation chronic, and few permanent results discernible from the 8-year development plan which the President (re-

cently installed in that office for life) has ordered be put into execution without fail.

[From the New York Times, June 2, 1963]
WESTERN OIL MEN REACH AN ACCORD WITH INDONESIANS: UNITED STATES AND BRITISH CONCERNS BECOMING CONTRACTORS IN NATIONALIZATION STEP—LONG DEADLOCK BROKEN—CRISIS BETWEEN WASHINGTON AND DJAKARTA AVERTED AND BOTH SEEM SATISFIED

(By A. M. Rosenthal)

Tokyo, June 1.—Indonesia and three Western petroleum companies signed an agreement today that will put the country's oil industry under a combination of private foreign enterprise and gradual, compensated nationalization.

The agreement, reached after urgent political intervention by the U.S. Government, broke a long deadlock between the companies and Indonesia and averted a crisis in relations between Washington and Djakarta.

All parties seemed satisfied by the results of the days and nights of hard bargaining in Tokyo, where President Sukarno is vacationing.

Indonesia was able to stick to its principle that oil belonged to the nation. Mr. Sukarno was also able to keep the foreign oil companies operating in his country. Their knowledge and market channels are vital to Indonesia.

President Kennedy sent Lt. Gov. Wilson Wyatt, of Kentucky, to Tokyo as his personal representative in the negotiations. Assisting Mr. Wyatt were Abram Chayes, State Department legal adviser, and Walter James Levy, an oil specialist who is acting as consultant to the State Department.

THE COMPANIES INVOLVED

The oil companies are Caltex Pacific Oil Co., owned by Standard Oil Co., California, and Texaco, Inc.; Stanvac Indonesia, owned by Standard Oil Co. (New Jersey), and Shell Indonesia, owned by British interests.

As a result of the negotiations here, the oil companies' status has shifted from owners to contractors. But they remain in control and management of the \$250 million a year export production for at least 20 years.

Also they won acceptable selling terms for that part of the industry—refining and internal distribution and marketing—that they had agreed long before would be taken over by the Indonesians.

Western oil specialists here said that "pragmatically" the foreign companies had lost little and gained much. They said the chief gains were the prospect of orderly operations in Indonesia and the long-range possibility that the companies and the Government would benefit enough to want to renew the contract after 20 years.

Washington, which had been so worried about a breakdown in the talks that it dispatched Mr. Wyatt and his experts, avoided a showdown. That might have meant an end to U.S. aid to Indonesia and a greater Indonesian drift to the Communists.

The agreement was signed by President Sukarno's aids and officials of the companies. It ended a dispute that had been going on for more than 2 years.

The oil companies had believed they were being forced to work under conditions, and under threats, that made long-term operations impossible. Washington was afraid that an Indonesian move toward nationalization without the companies' agreement might be interpreted by Congress as an act of expropriation barring Indonesia from U.S. aid.

The agreement runs along, these lines:

The oil companies will continue to produce and export crude oil for 20 years, after which the contract will be renegotiated. The companies, by paying a bonus, will also get the rights to explore and exploit new oil deposits.

During the 20 years the companies will give the Government 60 percent of the profits. That is the rate they have been pay-

ing for the last 2 years, ever since a 50-50 arrangement ended.

Within 5 years the Indonesian Government can take over facilities for domestic distribution of oil products. U.S. sources said the companies had agreed some time ago that these facilities would be nationalized.

During the Tokyo talks the negotiators agreed on terms for the takeover: An agreed price, payment in hard currency within 5 years and interest on the unpaid balance. The amount to be paid was not disclosed.

The refining facilities of the companies may be taken over in 10 to 15 years. If Indonesia waits the full 15 years, the agreed rate of depreciation will mean she will pay almost nothing for the refining facilities.

[From the New York Times, Apr. 5, 1963]

POLITICS COMPLICATES OPERATIONS OF PETROLEUM COMPANIES IN ASIA

(By Richard Rutter)

Petroleum companies have had more than their share of trouble in southeast Asia. If anything, the situation may deteriorate further.

In the Eastern Hemisphere, as a whole, oil business continued to expand and international companies were able to post a gain in earnings while other segments of the industry had harder going. But the bulk of the gains came from operations in the oil-rich Middle East rather than from Asia.

In three southeastern Asian countries in particular—Indonesia, Burma, and Ceylon—operating conditions ranged from difficult to almost impossible and the cessation of all activity in those nations now looms as a definite possibility.

Indonesia is a case in point, with its trend toward increased state regulation and nationalization of industry.

More than 500 enterprises are now run by the Government, 300 of them Dutch companies taken over in 1957. The Western-owned oil companies, however, worked out a "hands off" agreement with the Sukarno government. Caltex, Stanvac, and Shell were allowed to restore war-damaged facilities, import equipment, and export products free of foreign exchange controls and other restrictions.

CONCERNS DO WELL

Constituting a sort of oasis of free enterprise in a largely state-run economy, the oil industry has done well. Output has risen so that shipments now account for almost 40 percent of the nation's total export earnings.

But more recently the Indonesian Government has "gotten tough" with the oil companies and has insisted on altered working arrangements. The three foreign operators have agreed to higher royalty payments and a long-term timetable has been set up under which they will eventually turn over to the Government all their facilities—without compensation.

These companies have a combined investment in Indonesia of almost \$1 billion, and understandably, they have balked at investing more capital in further expansion instead of using retained earnings. As a result, the Government now threatens nationalization in the near future.

At that, the companies in Indonesia have so far escaped the fate of the Western operators that have been in Ceylon for the last 40 years or more. Last summer Ceylon, through the Government-owned Ceylon Petroleum Corp., expropriated about 20 percent of the operating facilities of three foreign companies—Caltex, Esso Standard Eastern, Inc., and British Shell. Taken over were gasoline filling stations, storage depots, kerosene outlets, and bunkering facilities.

Caltex valued its seized properties at about \$1,500,000 and Esso put its at \$2,500,000. At the same time, the state oil company began to import Soviet petroleum

products through a barter agreement and to market them through the expropriated facilities. Ceylon has no known petroleum deposits of its own.

UNITED STATES RETALIATES

The Government promised compensation for the appropriated properties, but so far none has been forthcoming. As a result, the U.S. Government early this year suspended various forms of assistance to the island country, totaling about \$15 million.

In retaliation, the Ceylon authorities have imposed a ceiling price on imported crude oil and stipulated that no foreign exchange will be released for the import of oil above that price. That quotation, incidentally, is what the state-owned company is paying for Soviet crude oil, or 20 percent less than the Persian Gulf price that the Western companies adhere to.

Ceylon has also indicated that if the private oil companies do not import oil at the cutrate price, their remaining facilities will be taken over.

In Burma a military junta took over last year and promptly stated an official goal of "nationalization of such vital means of production as agriculture, industry, distribution, transportation, communications, and external trade."

The already scheduled nationalization of the British-owned Burma Oil Co. was pressed. Negotiations are now proceeding to acquire the British shares in that company and related trading companies. The Government has announced that all commerce and industry will be completely nationalized though new private enterprises may be established in exceptional circumstances.

Mr. TOWER. Mr. President, I share the concern of the Senator from Oregon relative to the history and responsibility of Congress in the field of foreign affairs. I might disagree with some of the Senator's contentions about the involvement of the oil industry in this matter. Whether it is or is not involved is quite beside the question.

The question is, How long are we going to let petty dictators tweak Uncle Sam's nose with impunity and pluck off his beard and blow it in his face? The time has come for the United States to assert to those who thumb their noses at us while receiving handouts from us, while they try to increase their prestige in the world, that we have a responsibility in the field of foreign relations, one that we are too often prone to abdicate to the executive branch.

I fervently hope that we will reassert that responsibility today. I hope we will not retreat from the correct position taken by the House of Representatives. I fervently hope that the committee amendment will be rejected.

Mr. McGEE. Mr. President, I speak with mixed feelings concerning the action the Senate is now considering. I jotted down some thoughts as I listened to the remarks of the Senator from Oregon [Mr. MORSE] and the Senator from Texas [Mr. TOWER] on this troublesome question. I say "with mixed feelings" because I have long been a student in this body of the Senator from Oregon in particular, in regard to the complicated, complex questions that trouble me at this moment.

The principal reason of my obtaining the floor is to take issue with some of the questions that have been submitted until now and to suggest that perhaps

there are other priorities that might well prevail in our judgment on this question.

I think it well to remember that this is a Department of Agriculture appropriations supplemental measure; that it was designed only for fulfilling obligations already on record. It is not a projection of a new program or a new position of policy. In my opinion there should have been no consideration of a compromise of the House action. It seems to me, in the interest of being forthright on this question, that the language should have been stricken completely from the record. It is my understanding that no hearings were held on it by the House. It popped up on the floor of the House. It did not receive the deliberation that we ordinarily accord to this kind of proposal. But that is water over the dam.

We are considering this afternoon a compromise proposal that the committee has carefully considered for very good reasons. I hasten to add that I think the most unfortunate thing this body could do would be to try to shape American foreign policy from a sense of an anger against some dictator like Mr. Nasser or Mr. Sukarno. We have no business shaping the foreign policy of the United States merely because someone has pulled our beard in a spirit of aggravation. In the role we are called upon by history to fill at this time we must be bigger than that; we must be more firm than that; we must be more farseeing than that. If every 10-cent dictator who came along could get us off the track and deliberately incite us by remarks that were intemperate, it would be difficult indeed to live up to the responsibilities placed upon our shoulders.

It seems to me that Senators should remember, as we search our souls for a decision on this question today, that this is not a question of satisfying our own ego concerning Mr. Nasser. He gets under my hide, as do Sukarno and other dictators on the international scene. But the fact that he irritates me should not be the source of the foreign policy of our country. Foreign policy should be laid out on the basis of its principles, concepts, goals, targets, and priorities, not on a basis of personal venom or of "revenge" because we are out of patience at the moment.

I would be the last to carry any brief for Mr. Nasser or Mr. Sukarno, or any of their ilk. I only say that the world is round; that Nasser is not in a political vacuum; that the world is not going to revolve around an axis between Washington and Cairo. What happens in Eastern Europe, Latin America, or Africa affects us all. Our responsibility is to a world that is round, not a world that is shrunken to the axis of Cairo and Washington, in the midst of which we are sitting today. For those reasons, it seems to me we ought to think twice before we act precipitately on a matter such as this.

If I may speculate for a moment, I believe much can be said to the effect that Israel will be in a slightly better position if we have more to do in Cairo than if we break off with Cairo. For whatever

our connections there are worth, some restraints can be imposed, some cautions can be invoked, that our absence from Egypt or our breaking away from there would not permit. Even from the standpoint of our interest in the neighbors of Egypt, there is some obligation, it seems to me, on our part to keep them within our sights.

So the question is not merely, How do we get even with Nasser? How do we tell him off? How do we get the message through to him? The whole world will not rise or fall because of something dictated by Nasser. I question the real substance of a nation's foreign policy if that policy is to reflect, at the whim of Congress, every bit of intemperance or outspokenness on the part of dictators. In our country, our task is not and cannot be to punish, bad as Nasser may be, bad as Sukarno may be. What kind of national purpose would that be? What kind of national policy would that project? Our task, if I may respectfully suggest it, is that of being as good and strong and wise as the times demand.

If I may draw a parallel, what would have happened to the image of British life in the two or three centuries when they took on the chores of trying to balance the delicate political powers of the world, if whenever someone on the sidelines tweaked the nose or pulled the tail the British had digressed from their long-range purpose of trying to preserve the balance of the world?

The world would have been in a shambles many a time as the result of losing sight of the high road along which they alone were in a position to maintain, a course toward a slightly better world in their time.

As Members of the Senate—and we are all very jealous of the prerogatives and responsibilities of the Senate—we ought to be ready to face up to the facts of our time as to where the responsibility rests.

I never want to forfeit the responsibility of the Senate in a projection of foreign policy. We live now, though, in a world of dictators for a large part, not in a world of democracies as such. What we do with this \$37 million, or do not do with it will not make one iota of difference to the chances of democracy in Egypt.

This is a matter that concerns another of these disturbances, should this issue not be followed through by this body, that can well ruffle the only troubled waters in the Middle East, at a time when there are still higher priorities, in a way that would not bring any attendant consequences of advantage to us, as I see it.

There is only one place where the buck cannot be passed any longer. I think well of a remark made by the senior Senator from Rhode Island [Mr. PASTORE] this week in my presence. The Senator reminded us all that we can sound off here, as we should, and air this issue in the open. We can be wrong, as we sometimes are. And the consequences of our making a mistake are not always earth-shaking, fortunately.

We have a second chance. We can make a second guess and indulge in a second try in an effort to find the right

answer. But, when this decision is arrived at by the President, he must be right the first time. He has no second chance.

It behooves us under the circumstances at this moment to abide by the compromise language that the Committee on Appropriations has drafted. That action would leave it to the discretion of the President to assert his judgment in a small way on a matter that has accumulated from the past. It is not a policy that is being written here today. It has no business being written here today. It merely concerns language that was tacked on an agricultural supplemental measure in a short period of time. Therefore, we ought to leave the President of the country the latitude of judgment in the national interest in this particular instance as he sees it.

I am sure that by June, July, or mid-summer, the question of what we shall do with the Public Law 480 program, what will happen to some of our foreign aid programs, and what our real policy direction ought to be and will be before us again. That is the time for us to have a great debate along these lines. That is when we can exert collectively the kind of influence on or guidelines of wisdom that the times require.

In conclusion, I am always sobered in these moments by recalling a conversation that I once had the privilege of having with the senior Senator from Tennessee when he and I were in New Delhi. It was a rather philosophical session with Prime Minister Nehru. We were talking about the relative injustice of the criticism that is heaped upon the United States by other countries and the double standard that is applied to measure whether a country is doing the right thing or the wrong thing.

We always catch a lot of the "flak," but we are not in the position of trying to lead the world in order to be patted on the head, nor perhaps even to be thanked. We must stick to this business, because if we do not, and if we are not willing to take this "flak," we forfeit the leadership to those to whom we do not care to entrust the world.

As we mused on that occasion over the criticisms we received in those days from Indians—and today from Nasser, Sukarno, and others—Mr. Nehru made a very astute observation. He said:

You know, the injustice of all this must be obvious to all of you. We understand the effect it has in your own political arena. But what would happen to me, Nehru, in India if I were to make a mistake? I may be defeated in the next election. My party may be thrown out. My party may suffer as a consequence. And that is about all. But, you Americans are like Atlas, with the world on your shoulders. If you make a mistake, stumble, and fall, the world falls with you. That, in some measure is one of the reasons for the anxious criticisms that are occasionally levied at you. We know that you make the difference, that what you do makes the difference.

It seems to me that we should do all within our capabilities to live up to the responsibilities, the frightening, costly, and yet exciting possibility that the history of our times has placed upon us.

In doing so, we had better have an opportunity to meet those obligations and those responsibilities in a way that will stand the test of history, and will enable us, as we stand before the bar of history, to hold our heads high in the knowledge that we did what we thought the times required.

Mr. MORSE. Mr. President, I wish to reply briefly to the Senator from Wyoming.

I disagree with every major premise of the speech. I shall try to recollect the major points made by the Senator from Wyoming and give my point of view on each.

The Senator from Wyoming speaks of our taking a precipitate action of intemperance in the Senate today. But that is an old debating technique, seeking to color the opposition with a name rather than facing up to the facts of the issue.

There is nothing precipitate about what is proposed here. The issue as to what we should do is a matter of foreign policy in respect to aiding dictators around the world who follow courses of action that are not in the best interests of the United States.

The issue has been before the Senate year after year for many years. It has been before the Committee on Foreign Relations time and time again. We have taken some actions in regard to it. Let me name a few. We took some action, as I said in my earlier speech today, in respect to Indonesia last year. We included a presidential escape clause in that one. The fact is, however, that Sukarno has not lost a dollar of aid. The fact is that the administration has proceeded, following the inadequate congressional action of last year, to continue to give Sukarno aid.

We had a long debate 2 years ago on the aggressor amendment. The Senate took a petition on that issue. I do not know of a foreign policy issue that has been more openly debated than the issue raised by the committee amendment this afternoon—How far should Congress go in delegating its legislative powers?

Yet the Senator from Wyoming calls this precipitate action. This has been an issue that has been before Congress and the people of this country for quite some time. There is growing public support that Congress should exercise its authority.

It is suggested by the Senator from Wyoming that we who support the House language and oppose the Senate amendment are somehow, in some way, engaged in intemperate action. That is pure nonsense. Is it intemperate to say we must take a look at our foreign policy with regard to Nasser and decide what the relationship of that foreign policy is to the best interests of the United States? Is it intemperate to place a congressional check upon our aid program in Egypt because it goes to a man who has knowingly been an aggressor against Yeman? That has been a matter of great protest in the Congress and in the country for many months. If we continue to supply Nasser the kind of aid that is proposed to be supplied to him in the Senate amendment to the joint

resolution, his aggressor potentialities will be strengthened.

Those of us who disagree with the Senator from Wyoming and the majority of the Senate Appropriations Committee agree that we have had a thorough debate on the merits of the issue and the time has come to take action this afternoon.

Let me mention one of the actions we have taken by way of exercising checks by the Congress by way of legislation. In 1955 we adopted the Lehman-Morse sense-of-Congress resolution with regard to policies in the Middle East. At that time one policy which we protested relates to Norway, which was quickly rectified by Norway. We made clear in that action that the State Department should understand that the Senate looks askance at grants-to-aid countries that engage in the kind of shocking and deplorable action we were protesting.

In 1959 we made the Lehman-Morse resolution of 1955 an amendment to the foreign aid bill. It became the Javits-Morse amendment to the foreign aid bill. It was an amendment stating the policy of the Congress. Of course, that statement of policy is in line with the House language.

"Precipitate," says the Senator from Wyoming. "Intemperate," says the Senator from Wyoming. The fact is that this is another link in the chain forged in recent years by the Senate, seeking to exercise its responsibilities and act to check such powers as these.

The Senator from Wyoming says it will be a deplorable thing if Congress makes a mistake; that the President should not be put in a position where he can be checked by the Congress, because he cannot afford to make a mistake; that he must not be put in a position where he can make mistakes.

Mr. President, this President and previous Presidents have been making mistakes in foreign aid. They have been making mistakes in foreign aid because Congress has not imposed the type of restriction that we are arguing this afternoon should be imposed, and which it is not only our constitutional right to impose, but our clear duty.

I strongly oppose delegating the kind of discretionary power to the President that the Senator from Wyoming would leave him. We cannot afford to continue the kind of mistakes Presidents have been making in the field of foreign policy, because we have been delegating this kind of discretion to the President, rather than passing on the merits and sending it to the President, who can return it with a veto message, which is his checking power.

The argument of the Senator from Wyoming really adds up to a proposal to give more and more power to the President, to abdicate more and more of our constitutional duty to determine standards so far as foreign aid and agricultural legislation are concerned.

This issue does not involve a question of inherent Presidential power. It is a question of power to be exercised by the President only to the limit he is permitted to exercise it under a statute passed by the Congress.

For some years, some of us have been bringing this issue to the floor of the Senate time and time again, and have been urging that standards and limitations be placed upon that delegation of power to the President of the United States.

The Senator from Wyoming raises what I respectfully submit is an entirely irrelevant question about what position the British lion would have been in in history, if, every time its tail was tweaked or there was any opposition, it had followed the course of action to which the Senator from Wyoming referred.

I know that the British lion bled nearly to death trying to placate and manipulate and maintain its own version of peace and empire all over the globe.

That argument has nothing to do with the issue before us, but let me say that the world would be in a better position today, and freedom would not be suffering as much today, if the British lion had stopped its growling decades ago and had begun establishing freedom in British territories around the world. That issue is irrelevant to this debate, but if it is to be dragged in, let me point out there is no basis for setting up Great Britain as a model for the United States to follow in policies involving millions of people who are not free.

The Senator from Wyoming says we shall have a chance next June, or whenever a foreign aid bill is brought up, to have a great debate. I am accustomed to that argument—"Not now, but some other time." That is the argument made—"Do not face up to your responsibilities now, but some other time."

The legislative framework that has delivered this issue to the floor of the Senate happens to be that of an appropriation measure. It is within the authority of the Congress to face up to the issue in an appropriation measure. But let me say most respectfully that if the Appropriations Committees of the two Houses bring it in, there is no merit in the argument of the Senator from Wyoming that we should not face up to it now, but face up to it next June, because he does not like the legislative format that brings the issue to the Senate.

It happens to be within the rules of the Senate to bring it in in this way. I am interested in the issue, and I am interested in the merits of the issue. We have before us this afternoon the merits of the issue as to whether or not we are going to countenance giving this arbitrary power to the President in an area where, in my judgment, it is not in the interest of the United States to extend aid.

We have the legislative authority to follow the course of action which the House has followed. This raises the simple and basic question: Is that policy of the House sounder foreign policy for this Republic to follow than the foreign policy proposed by a majority of the Committee on Appropriations of the Senate?

My answer is decidedly "yes."

It is decidedly in the best interests of the foreign policy of this country to stop

aiding a man who is aiding the rebels in the Congo ever so little or ever so much.

We do not know where the Congo issue will lead, but the Congo issue can take on awful and frightening proportions. There is no doubt that Nasser is a conduit to the rebels in the Congo. Nasser provides a training center for the rebels in the Congo. Nasser provides a corridor for Communist forces by various devices, some by subterfuge and some with not so much subterfuge, to aid what is going on in the Congo.

Neither the Senator from Wyoming [Mr. McGEE] nor any other Senator can stand up in the Chamber this afternoon and show that it is in the interests of the United States to have Nasser—or the head of any other country—giving aid to the rebels.

Is it in the interests of the foreign policy of the United States to give countenance, support, and aid to a dictator that has been carrying on an aggressive policy which he has been carrying on in Yemen? Of course it is not.

Mr. President, we did not draw the issue. Nasser did. If the Senate adopts the House language, it is not my position that it will be taking action this afternoon out of pique, out of intemperance, or out of any motivation to discipline Nasser. It is my position that if we are to protect the best foreign policy interests of the American people, we should stop subsidizing Nasser. That is the issue.

I do not care what language is used by those who wish to rationalize the insistence of the State Department that it should be allowed to do what it wishes to do in the Middle East concerning Nasser. The fact remains that it has already demonstrated what it wishes to do, and what it has been doing—under the kind of policy which the House seeks to prevent—which has not been in the best interest of the United States.

What should we do? Fold our arms? Surrender? Admit we are making a mistake, and that if we keep on making the mistake we will not be checked but go ahead and continue making it?

The Senate has a duty to the American people to exercise whatever legislative authority it has to change a foreign policy which, I believe, is not in the interests of our country.

It is interesting that some Senators have come to me and told me they are going to vote for the Senate language, but, they say, "We believe it is a mistake to continue the policy, but we do not like to be placed in the position of seeming to vote against what we believe the President wishes in foreign policy."

Let me say respectfully to those Senators that it is their duty to vote for the House language, if they actually believe that the President is following a foreign policy which is not in the best interests of the country.

I rest my case on that major premise. We cannot analyze the foreign policy of Nasser and find any basis for arguing that his foreign policy is in the interest of the people of the United States.

The authority over American aid to a foreign government lies with the Con-

gress, not with the President. The only powers he can legally exercise in connection with sending food or money or military aid abroad is what we give him. But he is only our agent, and we continue to be responsible for the results.

Senators represent the people of the United States. Every Senator who believes that Nasser's policy is not in the best interests of the people of the United States, in my judgment, has a clear duty to vote for the House language and against the language of the Senate committee. In my judgment, the Senate has to vote to stop a foreign policy that is being practiced by the President and the Secretary of State—and, yes, by the Pentagon—which, if it is continued, will cause serious crises in this country.

I believe that the way to stop a war is to stop it before it begins. I believe that we should make it perfectly clear to the dictators of this world—and make it clear to them now—that we are not going to give them aid in any way, shape, or manner which can strengthen their warmaking plans, their aggressive plans, the plans which some of them have publicly announced, that they intend to attack certain countries whenever they consider themselves strong enough to do so.

Mr. McGEE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am glad to yield.

Mr. McGEE. Mr. President, I do not intend to prolong the debate. I regret that I did not take the opportunity to prepare a written text which could have been used as a basic reference.

Let me say for the RECORD that the real point in this discussion is that the Senate has before it a supplemental agricultural appropriation measure; that this is a policy already laid down; that this is an extension of a policy of trying to fill the gap with \$37 million already authorized and contracted for; that we are not considering the extension of a policy; and that we are not opening up the consideration of a new policy.

Therefore, in that context, we must weigh the consequences of this move now in regard to what it means in its gains and in its risks to our basic foreign policy decisions.

I submit, with all due respect, that this matter of \$37 million, while it is bound to offer some psychological advantage on the other side, will have no real message which it can convey in meaningful ways to moderate, restrain, hold back, or in any other way strengthen our hand with Nasser. That problem must be dealt with at some other time and on some other basis in terms of a policy projection.

As the Senator from Oregon seems to imply, if we are really out to have no truck with any dictator, let me say that we shall not have anything left in the way of any international relationships, with the exception of a small part of Western Europe and one or two scattered republics here and there.

We are dealing with a dictator, and we must be realistic about it.

Are we going on a great crusade, beginning with Nasser and Sukarno, and

make little Americas and little Democrats out of these people?

We shall be better off in the long run, if that were possible, but we are dealing with the world as it is, not with a dream that might be.

The same thing obtains in regard to Nasser. He is hardly a proper object on which to focus American foreign policy. For long after Nasser has gone, the people of Egypt will be there. The political vacuum in the Middle East will be there. The great tensions will still prevail.

If we really wish to bring down Nasser—which I gather from the remarks of the Senator from Oregon [Mr. MORSE] should be basically our long-range policy, to get rid of him because he is a rascal—then we should impose a blockade on Egypt right now.

We should cut off all economic intercourse with the United Arab Republic and really put the squeeze on Nasser. Most people, I am sure, fully appreciate the fact that this is not a rational approach in the times in which we live.

Therefore, let us get down to brass tacks. To cut off this \$37 million, which has been already laid out, already projected, already authorized, and already contracted for, will do nothing except increase tensions and increase strain—and heaven knows, there are enough tension and strain areas—does not offer us the alternative of clearing it up, or strengthening our hand, if we take this retaliatory action.

In my judgment, the issue is as simple as that.

For that reason, I again urge Senators to consider the consequences of this action with the almost nonexistent, beneficial gain which might be realized from this small sum of money applied in this way.

I conclude by reminding my colleagues that I oppose Mr. Nasser in principle and in substance in every way I know how. But there is one thing that takes precedence over my personal bitter opposition to Nasser, and that is that we try to strive to keep a strong position in all the areas of the world, at the same time without jeopardizing the tensions in certain areas with a proposal which would not offer us the prospect of a great gain; and that prospect of a great gain is not present in the particular decision now pending.

Mr. MORSE. Mr. President, I shall reply briefly to the rejoinder by saying that most of it is based upon an attempt on the part of the Senator from Wyoming to put words in my mouth.

The Senator from Oregon has not taken the position this afternoon that we should have no communion with dictators. The blanket suggestion of the Senator from Wyoming, that I am proposing this afternoon that we have no dealings with totalitarian government, is not based on any fact in connection with anything that I have said. I referred to dictators who plan and carry out aggressions against their neighbors.

Certain courses of conduct have been followed by Nasser which I have set forth in support of my major premise. We must ask ourselves this question: Is his conduct in the interest of the public

policy interests of the people of the United States?

Let me quickly review them again, because I say to my friend from Wyoming that the issue was raised by the appropriation measure, quite appropriately, and that we now must review the question of whether we wish to continue aid to a man who in my judgment has abrogated all right to further aid by the course of conduct he has taken against the United States, and a course of conduct that he has taken elsewhere in the world that is in the worst interest of the United States—Yemen and the Congo and, in fact, his whole attitude in the Middle East.

What has he done? We know that he has permitted in his country the anti-American action that we have protested. We know that he has summarized his position, as far as his caring as to what we think about it, in the language that I used in my earlier remarks which, in the American vernacular, is that we can take our aid and go jump in the lake. We are being asked to aid a man who has pointed out very clearly that we can count on him not to agree with us in diplomatic channels, but to oppose us and to do what he wants to do, and that we can like it or else. That is what has developed since there has developed the lack of funds to supply him with more goods under soft currency sales to the tune of \$37 million.

Of course, Congress has the right—and I happen to believe the duty also—to review that action on the part of this individual. My speech goes to this individual and to his conduct. I say, on the basis of his anti-American record, on the basis of his conduct, which threatens our interest in that part of the world, which may very well create a situation in the Congo that might embroil us, as well as a good many other nations, that we cannot justify giving him further aid.

I talked about Sukarno as the second horrible example that I believe confronts us. The President of the United States has made a serious mistake every time he has sent further aid to Sukarno after the action taken by Congress last year. He did it under the law. He did it in the exercise of Presidential escape clause. But on the merits he has been aiding a man whom he should not aid, because he is a man who has shown his disrespect and his evaluation of American aid by making the statement, which he has reiterated, that we can take our aid and go to hell.

If we in Congress proceed to pass legislative controls and restrictions in the administration of foreign policy that meets the challenge raised by such foreign policies as are being practiced by Nasser and Sukarno, are we precipitate, are we intemperate, are we affecting the decision of whether we will aid anyone?

The Senator from Oregon has made perfectly clear in vote after vote that he is willing to grant aid to people that we can count on to keep their word, that we can count on not to be aggressors, and to people who, although their ideology may be different from ours, demonstrate that they are not war-makers. We are dealing with a man who in my judgment is a

serious threat to the peace in the Middle East.

Senators will remember that a few years ago Congress added to the foreign aid bill the provision terminating aid to any country that seized the property of American investors without due compensation.

It is remarkable to recall that there was no Presidential escape clause in it. Yet we heard no outcry about tying the President's hands, or denying him flexibility. It has proved to be one of the most useful and successful provisions in the aid program.

We tried to follow the same pattern in the aggressor amendment. But that provision requires a Presidential finding and hence it has proved inoperative.

I believe we should adopt the House language in the interest of protecting the best interests of the American people and deny Nasser the \$37 million in aid.

Mr. THURMOND. Mr. President, I sincerely regret that the Senate Appropriations Committee has changed the wording of the Agricultural Supplemental Appropriations Act and has thereby weakened the prohibition against Public Law 480 agricultural commodities being sent to the United Arab Republic. The House of Representatives wrote into this act a very strict prohibition against the use of any funds appropriated by this act to finance the export of food to the United Arab Republic. It is my belief that the wording as it has been changed by the Senate committee has no meaning in fact. The President could now prevent the use of these funds for exports to Nasser if he determines that it is necessary. Obviously the administration has determined that furnishing Nasser with this food, is, somehow, in the interest of the United States.

Mr. President, I feel kindly toward the Egyptian people, and I believe that if they were given full information a majority of them would stand with the United States in the defense of freedom. However, President Nasser has been treating the United States in a most highhanded manner which cannot go unnoticed by the Congress and by the American people. Nasser, in conjunction with the Red Chinese and others, has been sending military supplies to the Congolese rebels. He joined in bitter protests against the United States-Belgian rescue of white hostages from the Congo. On November 26, 1964, the John F. Kennedy Memorial Library in Cairo was sacked and burned by a mob that the government of the United Arab Republic was either unable or unwilling to control. On December 19, 1964, the Russian-built planes of Nasser's air force shot down an unarmed commercial plane belonging to the Mecom Oil Co. of Texas. On December 23, 1964, in a long speech in Port Said, Nasser added insult to injury by telling the U.S. Ambassador the Egyptian equivalent of "go jump in the lake."

It is apparent to any observer, Mr. President, that our furnishing of food to Nasser enables him to divert his attention from the production of this basic commodity to the building up of a vast arms industry. I wonder how long the

American people will be content to have their Government stand idly by in the face of such insults and aggressive actions and continue to subsidize the man who is responsible.

Under the terms of the 1963 Foreign Assistance Act, the President was directed by Congress to withhold all foreign economic aid, as well as food-for-peace aid, from any nation committing aggressive actions against any other country receiving our aid. Nasser has publicly admitted supplying arms and munitions to the Congolese rebels whose avowed intention is to overthrow the Central Government of the Congo. The U.S. Government recognizes and supports the central Congolese government. I believe that this constitutes a violation of the spirit, if not the letter, of this provision of the 1963 Foreign Assistance Act. Obviously it is time for Congress to take firm action; and the provision adopted by the House of Representatives represents a good step in the right direction.

Mr. EASTLAND obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield to the distinguished Senator from Illinois with the understanding that I do not prejudice my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I suppose that I could probably indulge in remarks not unlike those that have been offered on the floor of the Senate this afternoon. But at the risk of being slightly partisan, it seems to me that some of the "bread" cast upon the waters 5 years ago is beginning to come back. There run in my mind many statements and principles that were uttered in 1960 about the prestige and the preeminence of the United States of America. My own party was certainly scolded in no uncertain terms for allegedly having permitted our prestige and preeminence to sink to an all-time low.

Late one night this week I found time to go back and reread a few of those speeches. Then I began to think about the prestige and the preeminence that are manifested and reflected by the incident that has somehow triggered the proposal that is before the Senate today.

It is rather interesting to go back and read the language uttered at that time, and then find myself in the position of supporting the committee and the administration in this matter. And that, of course, I intend to do, because I believe it is the right thing to do.

But if one were to read the record on the subject of our prestige at the present moment, a gentleman by the name of Castro—and I must assume that he is a gentleman—although he is still 90 miles away, is still there, and he still carries on his nefarious schemes in Latin America to subvert, if he can, freedom and free government. That certainly does not comport with the restoration of prestige that was promised in most eloquent terms by the administration then in power.

I think of Sukarno. I remember him best when he appeared before a joint

meeting of the House and Senate. I know what my feelings were at the time, because some of his language was ornamented to the point where it was very testy to Members attending the joint meeting.

So, as I see him now, and the attitude that he expresses toward this country, whose largess he has experienced in abundant measure, I wonder where this prestige is that we supposedly lost and which was then to be restored by those who succeeded him.

I think of a gentleman by the name of Ben Bella, who called upon the Chief Executive, and evidently, from all that I could learn, secured a pledge of assistance and then promptly left our country to go to Havana. When he had stayed his leave in Havana, he went to Moscow. It was quite evident that after he got a pledge of assistance from us, he did not share our feelings at all so far as the liberty of people and their freedom from tyranny are concerned.

Then I think of Mr. Nasser, who has ignored our admonitions with respect to his troops that are still in Yemen, and who admittedly, of course, has sent weapons to the Congo, which has been such an uneasy scene for such a long time. And parenthetically, Mr. President, the record evidently does not show the exact circumstances under which Mr. Nasser made the statement that has caused so much fulmination in the newspapers and elsewhere. A hint has come to me that our own Ambassador was quite firm with him in discussing Public Law 480 aid, and because of the firmness of our Ambassador in stating what we would and would not do, probably that statement was regarded as some provocation for the statement that was ultimately made.

I do not know. I picked up a little here and a little there. But the record itself is not clear on that point. It may have been adduced in the form of off-the-record testimony. But how can we pass judgment unless we know whether or not there was provocation at the time the statement was made?

Any lawyer knows full well that those things that excite the spirit and suddenly find articulation in some vengeful act register with a judge and with a jury when the time comes for a judgment of those situations.

But no one has undertaken to tell under exactly what circumstances the statement was made. I am not inclined to believe that the little smatterings of information that have come to my attention may very well have been correct.

We get up our bile a good deal about what is going on in Vietnam. I assume they are going to throw at us—and I assume on occasion that we will pay our respect to their leaders, and perhaps it will not be very complimentary. But it certainly does not add to the conduct of foreign policy of this country, and it is not the road to settlement, to understanding, and to ultimate peace.

I do not want to be embroiled 12,000 miles from here in Asia and then be embroiled in another place in the Middle East. My friend the Senator from Oregon has talked about being embroiled.

The easy way to become embroiled is to take a good strong bludgeon—and it can be a verbal bludgeon—and strike a leader in some far off country over the head, when we do not know all the circumstances that might have provoked the expression that found currency in every newspaper and on every television and radio station in our land. That is a pretty thin basis upon which to render judgment and to indulge in name calling, no matter how polite, in what we are pleased to refer to as the world's greatest deliberative free body.

We had better mind our language a little. We had a situation in Mozambique, when our own diplomatic representative, at the end of a bayonet, was hustled down to the dock and told to get out. It looked like capricious treatment of our representative. But after a while, it was swallowed up by the waters of time, and we have not heard much about it.

We had a similar experience closer at hand when our flag was taken down in the Republic of Panama, and when the snipers were shooting into the Canal Zone. What a weird admixture of feeling that engendered everywhere in the country. But after a while, it subsided before any real damage was done.

It is true that our libraries have been burned, our flag has been hauled down, and our teachers, so far as I know, have been run out of a university in Ghana. Of course, we have protested, although we have given the leader of that country an abundant measure of our resources in machinery and food and money in order to let him carry on and undertake to industrialize his country, if he can.

In many areas of the world, it appears that respect for us has vanished. I am not so naive as to believe that some far-off country will love us particularly and lavish affection on us for what we may do for it. I concluded long ago that probably the only thing we can get is respect; and that respect we will gain through strength. But we must be very sure that we are on good ground; that our facts are straight; and that we either know or do not know whether there was an element of provocation that can so easily call forth an equivalent expression, and use that as a basis for an interdiction by Congress in a piece of legislation that will have its repercussions in the chancelleries of the world, particularly in the United Arab Republic and in the Middle East.

This could be something of a pattern. Who shall say? But arbitrary, capricious, and precipitate action will not further the cause of the United States as the leader of the free world. That leadership has been thrust upon us, and we could not avoid that responsibility, even if we wanted to do so.

So how do we carry on in the pursuit of the idealism we have flaunted to the world? Do we do it by striking back? No. There is some Christian virtue in the old biblical admonition to turn the other cheek.

Also, in the admonition that has come rolling down the corridor of time: "Let not the sun set upon your anger."

Nobody could sit in this Chamber this afternoon and hear some of the utter-

ances that have been made without knowing that there was some bile and some anger behind them. One does not negotiate in a spirit of anger and ever expect the negotiations to be durable and to solve the problems of this country. How easy it would be for the leaders in all parts of the world, on the basis of what we might contrive here this afternoon, if we failed to support the committee, to conclude that Congress had taken out of the hands of the Chief Executive the responsibility for conducting the foreign policy of the country. Congress is not adequate to it unless it has all the facts, unless it knows as much about the situation as the President does—and the President has the facilities for obtaining the last word upon the subject. The Central Intelligence Agency might have investigated it, or the State Department or another instrumentality of the executive branch might have done so.

Who shall say what the feeling was like? I cannot say because, frankly, I do not know. On that tenuous basis, I shall not let it be manifested to the world that I am taking away from the President his responsibility in the conduct of the foreign policy of the country.

There is still another factor. Who shall say whether whole or partial restitution has been made? I understand that restitution has been made, certainly in part. I received two reports. One was that a palace was turned over to us in lieu of the library that was burned. The other report was that a thousand books have been made available. So evidently there was a spirit of restitution that quickly asserted itself. It is a consideration that must be kept in mind.

It was said here this afternoon that there are oil interests abroad, and that we are trying, somehow, to crucify American foreign policy upon the altar of oozing oil. Is not oil a legitimate interest in the world? How is one to get into the oil business unless he knows where oil is? When I was a boy, we organized a group around the corner in the little town where I lived, and someone suggested that we raid an apple orchard. Then, of course, the discussion began. "Whose orchard?" Usually I won, because I said I wanted to go to an orchard where apples were on the trees; otherwise there would be no fun.

So one goes where the oil is. The economy of this country is driven forward dynamically every second by this energy-creating fuel. What would we do without it?

So our people rightly go forward into the earth to explore and to find oil, and to enrich us and enrich other countries at the same time. Is there something illegal or illegitimate about the touch of oil when our enterprisers and explorers should go forward into the Middle East or into Indonesia, where there are extensive and productive oil interests? What is wrong with that, so long as the business is legitimate? Those people, as corporate citizens and as individual citizens, are entitled also to the consideration of their country when they

go abroad for exploratory purposes to enrich mankind and to help to carry our civilization forward.

Is there something wrong with that? If the day ever comes when we must apologize for our people who go abroad to exploit, but who leave some of the profit there for the enrichment of other people, then we might as well tell them to come back home and say to them, "The protection of the flag is no longer with you." I do not want to put it on that thin ground. I want to see the whole subject in proper perspective, including the possibility that some provocative words might have coaxed forth the sentiment so suddenly uttered about getting a gulp of sea water, which supposedly has its equivalent in the idiom of our world. I merely want to get back and put things together.

I have to scold our friends a little, because they have charged us with letting our prestige go to the very bottom, under a great President—Eisenhower.

All these incidents arise. So, I must ask in all humility where to use that prestige and where to use that influence.

It has not been restored. But I shall be the good Samaritan type. He went all the way. We jump off in that great story before we get to the full meat of it.

The good Samaritan went down this road. Who was this victim? He was dumped off to one side. The robbers had taken his valuables, his clothes. The Levite came on one side and left him there. The priest came on the other side and left him there. Then the Good Samaritan did what? He bound up his wounds after putting oil on them. He put him on his beast. He took him to the inn down the road. He went in with him. Then what did he do?

He did not call it quits there. He went up to the man at the desk, where one signs his name on the hotel register. He said, "I picked my friend out of the ditch. He is hurt. He needs ministrations. He needs succor. Look after him and wait until I get out my wallet. I will give you a little money now, and then I will come back this way and pay you the rest of what will be owed, while you take care of him."

That is the real nub of the story—to go the second mile, to go all the way.

I shall not be deflected by bile. I know what it is. My desk is as littered with correspondence as that of any other Senator, and perhaps more so. As to what we ought to do, should we clench our fist, set our teeth tight, and talk through our teeth in language that even Nasser can understand? That is the spirit in which we somehow restated the policy of our country. Ought we to sit down in sweetness and light in the hope that that is the way to get peace—peace with a baseball bat? No. We had better leave this matter where it is, with the President of the United States.

We had better accept the committee's language. It does not always satisfy me entirely. I tried to write alternative language for the committee. But I shall ride along with what the committee has

done, and what the committee has written in the report. That is what I was interested in. The report states that we want to put them on notice that it is not the Senate of the United States that is sending this aid; it is not the House of Representatives. It is the taxpaying people of this country who are supplying that aid, and their patience could wear thin. But let us not let it wear thin in a single afternoon of discussion in this hallowed Chamber, saying "this is what the American people have mandated us to do, to cut you off, talk tough and let you know who we are in the scheme of things."

That is a great diplomatic manifestation, is it not? Not in my book. While I am not entirely satisfied with it, I urge the Senate to go along with the committee and to make no precipitate blunder that can cause us trouble in one end of the earth when we already have enough trouble 12,000 miles from here, in Vietnam. More than 53,000 young Americans have either been in or out of Vietnam since we have been engaged, and \$1.5 million of our money is expended there every 24 hours.

We are talking here about an amount of \$37 million. That is big in my book. If one comes from a country town, that is not hay. Put those values beside each other, the \$1.5 million a day in Vietnam compared with \$36 million or \$37 million. Let us be pretty careful in dealing with that amount in order to make it plain to a man who said an unkind thing and so expressed his ingratitude, his lack of appreciation. He will be punished, and the sense of the punitive has been uttered on this floor. Let us not do it. There is too much fever in the world.

I do not want to see my country get into difficulty that may at long last cost us some sweat and anguish before we are through.

I say to the committee that I hope the Senate will sustain the position that the committee has presented to us.

Mr. EASTLAND. Mr. President, I yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the Senator from Mississippi for yielding to me briefly.

I express my very deep appreciation to the distinguished minority leader. I expected nothing else from him but a nonpartisan patriotic, American, constitutional position such as the one that he has taken. I say that speaking for our entire committee.

That was the kind of position that was taken there. That was the kind of position that brought out the amendment of the committee, and the excellent wording in the report to which the Senator has referred. Using that, the committee, as a whole, voted for this amendment 17 to 6. Two of the six voted in the negative thinking that we ought not to say anything in derogation of the President's view. So, really one might say that the vote was 19 to 4. It was animated somewhat by the same principles of devotion and dedication which the Senator has shown so clearly.

The position that we shall be in if the committee report is not adopted has been stated for the Record. In the first place, this is not a question of our power. Of course, we can undo what we have done before, even though we leave some fine people high and dry, and leave the policy of our country in the air, which I hope we shall not do.

Notwithstanding what we have done in the past, notwithstanding that we have delegated power to certain fine officials to enter into a contract under Public Law 480—which I helped to draft, on another committee than Appropriations—notwithstanding the fact that that contract is there, and there is not any doubt about it, it is now proposed that we put it off before its terminal date, and without leaving it to the officials to whom we have entrusted the negotiation of that contract and its administration. It is proposed that we pull the rug out from under the officials and leave the world with the feeling that we do not proposed to stand behind the officials whom we have confirmed and the law which we have enacted and entrusted to them to administer.

It is not a question of power. It is a question of wisdom. I remind the Senator that the Senate confirmed the nomination of the Secretary of State without a dissenting word. The warmest expressions of confidence in the Secretary of State which came from the Senate at that time came from the lips of my beloved friend the senior Senator from Oregon. There was not a dissenting voice in the Senate. There was not a dissenting voice to be heard when we confirmed the nomination of Mr. Ball as Under Secretary. There was not a dissenting voice to be heard when we confirmed the nomination of Mr. Battle as Ambassador.

The people of the United States spoke rather clearly last November when they spoke of their confidence in the President of the United States.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I cannot yield at this time. I have only 10 minutes. Then I shall be glad to let the Senator speak on his own time.

We heard Mr. Rusk. We heard Mr. Ball. We read the words of the Ambassador. We know what transpired. If Senators care to read various parts of the record, they will find, on pages 95, 96, and 104, excerpts from what the Ambassador did when he terminated the discussion of any renewal or extension of this contract under Public Law 480 because of the rude treatment—which is the least one could say of it—which we had received. He was willing to stand up in foreign capitals and say, "As long as this is the climate you create, we will not negotiate for an extension of these benefits to you."

At the same time, he knew, and it was stated to us in the hearings, that with respect to 25 percent of their requirements in certain foods and up to 50 percent of their requirements in certain other foods, we have been helping to feed the poor people of Egypt. It is proposed to take this authority away from

the power of the Ambassador, the Secretary of State, and the President, to use that which they describe as their "ace in the hole" in the negotiations, not merely with Egypt, but all through the world, in places I am not at liberty to mention for the record. This shows the influence they were able to exercise, due to our representatives there, in keeping down tragedies in other places I am not free to mention. The information is in the record, and any Senator who wishes to read it can do so, but I am not free to mention it on the floor.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I had declined to yield to the Senator from Oregon. If I yield to the Senator from North Dakota, I shall have to yield to the Senator from Oregon.

I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Is it not true that when we consider the regular agricultural appropriation bill which will be before us in July, probably, we can again go into the matter of foreclosing or stopping any assistance to Egypt? That bill will deal with funds for surplus foods for various nations such as Egypt. In the meantime, the President will be given time to work out some satisfactory understanding with Egypt.

Mr. HOLLAND. The Senator is correct. And let me say on the floor of the Senate, where it cannot be denied by any Senator, that Senators who were against foreign aid in any form, in an overwhelming and bipartisan expression of their feeling of what we should do, voted for this program. They felt that we should not tear up our contract, violate it, or do anything that would pull the rug out from under our duly selected officials whose nominations the Senate had confirmed. It was not a part of sound judgment to tolerate such conduct—and I will not use an adjective I might like to—in a situation of this kind. It was felt that this matter should be left to those with full knowledge of the facts.

As the Senator from North Dakota has stated, we will consider the entire question when we have before us the annual foreign assistance bill, in 6 weeks or 2 months, when these questions can be gone into with greater care and detail.

The Senator from Florida has felt as keenly as anyone has on this matter. He has not failed to stand up against the President in matters such as the sale of wheat to Russia, which the Senator from Florida thought was wrong. There was a difference of opinion. But in the present instance—and I might say I have not heard from the President—there is involved only a matter of giving decent support to the President, the Secretary of State, and our Ambassador in Egypt.

I could not give my consent to pulling the rug out from under the feet of those good people just because we had the power to cut the heart out of this contract 5 months before it was to expire, when the contract was perfectly legal and made under a provision of law which we ourselves had enacted, and under

which we gave those officials power to negotiate the contract.

I yield now to the Senator from Oregon.

Mr. MORSE. The Senator from Florida is quite correct when he says I voted for the confirmation of the nomination of the Secretary of State and others. I am only saddened because they did not live up to my expectations. They have been following a course of action in regard to foreign aid which, in my judgment, is not in the interest of the American people. This is an example.

My good friend from North Dakota talks about our taking this matter up later. We have an opportunity now to act on it. We are about to set a precedent. I know how this body works. Once a precedent is set, there will be a hard time getting away from that precedent later.

Mr. HOLLAND. I thank the Senator.

COMMUNIST FORCES BEHIND NEGRO REVOLUTION IN THIS COUNTRY

Mr. EASTLAND. Mr. President, Communist forces both inside and outside the United States are pressing for a Negro revolution in this country.

This Communist position is not unique. Support for the cause of Negro revolution is coming also from non-Communist organizations and individuals both inside and outside the United States.

From inside the United States, aid and incitement for the Negro revolution is not coming entirely from Communist and pro-Communist sources, it is being provided also by others, including both persons and organizations which are demonstrably not Communist, and which may not even know that they are serving the purposes of world communism and helping toward the achievement of a Communist objective.

For example, Communist support for and participation in the so-called Freedom Party and its activities is both direct and diffused. Communist infiltration of the so-called Freedom Party can be traced clearly and demonstrated readily.

But support for the so-called Freedom Party has come also from groups and individuals that are not Communist, and from others in which the Communist influence, if it exists, is not clearly evident or easily exposed.

The State of Mississippi has been subjected to an invasion which the Communists regard as only the opening maneuver in the coming Negro revolution.

In discussing the background and origins of this project for the invasion of Mississippi, and those who have participated, I have found it is hardly possible to avoid referring to persons or organizations in these different categories I have just mentioned.

I propose to call attention to some of the evidence respecting Communist infiltration of the so-called Freedom Party, the degree of Communist control or guidance of its activities, and the nature, sources, and channels of Communist support being provided.

Mr. President, I recognize that there will be a tendency on the part of some

Registration Act as agents of the Republic of Cuba.

Smith was elected a vice president of the National Lawyers Guild at its national convention in Detroit, Mich., in February of last year.

Prior to last October, A. Phillip Randolph of the Negro-American Labor Council, who was a prime mover behind the so-called march on Washington, called for a state of the race meeting of leading Negroes from throughout the country to be held in Washington, D.C., in October 1964. This meeting later was postponed until after the national elections, and was scheduled for December 11 to 13, 1964, at Howard University. Still later the meeting was again postponed, and rescheduled somewhat indefinitely to be held during January 1965 in New York City. In an announcement with regard to this meeting, reported in the Washington Evening Star of November 9, 1964, at page C-20, Walter E. Fauntroy, pastor of the New Bethel Baptist Church in the District of Columbia and director of the Washington office of the Southern Christian Leadership Conference, said the purpose of the meeting "will be to discuss what future activities will encase the civil rights organizations and what new directions the movement will take."

While there has been no overt evidence that the Communist Party has had anything to do with the planning of this gathering, the party has been greatly interested in taking advantage of it. Claude Lightfoot, chairman of the Communist Party's National Negro Commission, instructed a number of party members to attend the state of the race gathering. The party's obvious purpose in having its people from various parts of the country attend this meeting was to make possible its hope of controlling or at least influencing actions taken.

It was interesting to note that on January 30 of this year, a meeting called by A. Phillip Randolph was held at the office of the National Council of Churches at 425 Riverside Drive, New York City. This was announced as a meeting of the Negro-American Labor Council. Whether this is all that came of Randolph's call for a state of the race meeting, or whether that meeting is still to come, I do not know.

Mr. President, the efforts multiply, and intensify. The fronts proliferate, and interlock. Bad men are enlisted, venal men are bought, stupid men are duped; some good men are misled, some honest men are fooled, even some very brainy men are led astray by their own logic, for a man is like a computer in this: feed in the wrong facts, or not enough facts, and the right answer will not come out.

So, Mr. President, the cast of characters swells and alters, some put on new disguises, some play new parts, but the theme of the play is no different. The tactics change, but the objective remains the same. And all the while, the pressure mounts.

The whole worldwide effort of the Communist conspiracy and its apparatus, its fellow travelers, its hirelings, its dupes, and its unwitting helpers, to achieve a black revolution in this country, stands oriented to focus on a State which

is particularly vulnerable because it has a million blacks and a million whites. The focus is Mississippi, the State where I was born, the State to which I owe allegiance.

As late as 1955, the FBI could not report a single Communist in Mississippi. Undoubtedly it could report a good many now. Few of them are local products. Some of them may be recent converts by Communist missionary activities. Most of them will be found to have been imported into Mississippi from the North.

Only last year FBI Director J. Edgar Hoover told the House Appropriations Subcommittee, in executive session, that Negroes in the United States "today constitute the largest and most important racial target of the Communist Party." The Communists, Mr. Hoover said, magnify and dramatize racial tensions. They use such campaigns, Mr. Hoover explained, as steppingstones to extend Communist influence among Negroes.

We do know—

Mr. Hoover told the committee—that Communist influence does exist in the Negro movement and it is this influence which is vitally important. It can be the means through which large masses are caused to lose perspective on the issues involved and, without realizing it, succumb to the party's propaganda lures.

Last July Communist leader Gus Hall made a speech at the Riverside Plaza Hotel in New York City in which he declared that "Mississippi is now the critical testing ground for all the democratic victories won by our people," and asserted that Mississippi "has now become a front line in the struggle against the rising danger of fascism in America." Remember, when Gus Hall says "democratic victories" he means victories for communism; when he talks about "fascism" he means anticommunism.

When Gus Hall declared last year that the Communist Party "lives and grows, it is again attracting the best, the young fighters from the trade unions, from the civil rights front, the best of the fighters for peace and democracy"; he was saying, in Aesopian language, that the Communists are gaining power, prestige, and desirable new recruits through exploitation of racial strife. When Gus Hall called Mississippi "the critical testing ground for all the democratic victories won by our people" and "a front line in the struggle against the rising danger of fascism in America," he was saying that if the Communists can win a clear victory in Mississippi, under the so-called civil rights banner, ultimate Communist control of the entire country will be brought much closer; but if they lose, all the Communist gains in the past 16 years will stand in danger of being wiped out.

Last August James E. Jackson, Negro boss of the Communist Worker, wrote in the World Marxist Review that Negroes "have become the new American proletariat."

The presence of so large a proportion of Negroes in the American working class, so especially motivated to militancy, can be likened to the addition of manganese to iron ore—

Jackson wrote—

When the two elements are fused in the furnace of class struggle, the metal of the American working class acquires * * * a quality vastly superior to either of its components—the quality of pure steel.

Translated from Communist jargon into plain English that means the Communist Party, U.S.A., has high hopes of using Negro discontent as a basis for fomenting both industrial and civil strife, and concurrently promoting Communist political causes.

Communist plans and hopes for a Negro revolution in the United States go back a long way. They were on paper as early as 1928. And in the winter of 1953, the National Convention of the Communist Party, U.S.A., issued a statement saying:

The next period ahead will witness momentous struggles of the Negroes. Given the vanguard leadership of the Communist Party, we may be confident that the Negro liberation movement will ally itself more fully with the camp of decent democracy.

In plain English, that meant that more than 10 years ago the Communist leadership in this country had confidence in their ability to fan the fires of racial hatred, to use and pervert the racial and individual aspirations of Negroes and Negro groups, to manipulate Negro and racial organizations so as to bring them into the Communist camp.

This is the issue, Mr. President. It is an issue which vitally affects all the people of this Nation. I pray they may come to understand it, and to translate their new understanding into action in time to help the people of the South to beat back this attack, in time to halt this invasion of Mississippi, in time to end Communist-directed perversion of political processes in this country, before the Communists can derive from the rising strife the full potentialities which it holds of benefits for them and for their plans to take over our country. Whether all the people come to this understanding in time, the people of the South understand now. The people of Mississippi understand. They know what they face; they know what they are fighting for—not only to protect their own way of life and their own freedoms, but to turn back the concentrated and focused power of the world Communist conspiracy and all its helpers, witting or unwitting, on what the Communists themselves have termed a critical testing ground. The people of Mississippi did not ask for this critical struggle. They did not want it or seek it. But they will not shirk it; they will not run from it; they will not compromise with the enemy. They have asked for the understanding and the help of their fellow countrymen. But they will stand their ground alone if they must. They will not give up. There is too much at stake.

Mr. President, there is no compromise with death.

EXHIBIT 1

[From the People's World, Jan. 16, 1965]

SAN FRANCISCO LAWYERS PLAN TRIP TO MISSISSIPPI

SAN FRANCISCO.—Three well-known local attorneys have announced plans to go to Mississippi on behalf of the Mississippi Freedom Democratic Party (MFDP) as part of a

national effort to collect evidence on denial of Negro voting rights in that State.

Attorneys Terry A. Francois, George Moscone, and Ed Stern plan to join other lawyers from across the Nation as part of the MFDP challenge to the seating of Mississippi's five Congressmen. Both Francois and Moscone are members of the San Francisco Board of Supervisors.

The challenge is separate from Representative WILLIAM F. RYAN's fairness resolution, defeated at the time Congress opened. The new challenge is provided under title 2, sections 201-226 of the United States Code.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, notified the Senate that, pursuant to the provisions of section 401(a), Public Law 414, 82d Congress, the Speaker had appointed Mr. McCulloch, of Ohio, as a member of the Joint Committee on Immigration and Nationality Policy, to fill the existing vacancy thereon.

The message also notified the Senate that, pursuant to the provisions of 10 United States Code 6968(a), the Speaker had appointed Mr. Flood, of Pennsylvania, Mr. Friedel, of Maryland, Mr. Minshall, of Ohio, and Mr. King of New York as members of the Board of Visitors to the U.S. Naval Academy, on the part of the House.

The message further notified the Senate that, pursuant to the provisions of 10 United States Code 4355(a), the Speaker had appointed Mr. Teague of Texas, Mr. Natcher, of Kentucky, Mr. Lipscomb, of California, and Mr. Pirnie, of New York as members of the Board of Visitors to the U.S. Military Academy, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of 10 United States Code 9355(a), the Speaker had appointed Mr. Rogers of Colorado, Mr. Flynt, of Georgia, Mr. Laird, of Wisconsin, and Mr. Talcott, of California as members of the Board of Visitors to the U.S. Air Force Academy, on the part of the House.

The message further notified the Senate that, pursuant to the provisions of 14 United States Code 194(a), the Speaker had appointed Mr. St. Onge, of Connecticut; and Mr. Wyatt, of Oregon as members of the Board of Visitors to the U.S. Coast Guard Academy, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of 46 United States Code 1126c, the Speaker had appointed Mr. Carey, of New York; and Mr. Mailliard, of California, as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

The message further notified the Senate that, pursuant to the provisions of section 5(a), Public Law 87-758, the Speaker had appointed Mr. Kirwan of Ohio, and Mr. Edwards of Alabama as members of the National Fisheries Center and Aquarium Advisory Board, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Speaker had appointed Mr. Stagers, of

West Virginia; and Mr. Grover, of New York, as members of the Federal Records Council, on the part of the House.

The message further notified the Senate that, pursuant to the provisions of section 10(a), Public Law 474, 81st Congress, the Speaker had appointed Mr. Haley, of Florida; Mr. Morris, of New Mexico; and Mr. Berry, of South Dakota, as members of the Joint Committee on Navajo-Hopi Indian Administration, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of section 105(c), Public Law 624, 84th Congress, the Speaker had appointed Mr. O'Brien of New York, Mr. Steed of Oklahoma, and Mr. Devine of Ohio as members of the Committee on the House Recording Studio.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE, 1965

The Senate resumed the consideration of the joint resolution (H.J. Res. 234), making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

Mr. JAVITS. Mr. President, I am about to suggest the absence of a quorum. I withhold my request for a moment so that I may explain what I am doing. I shall suggest the absence of a quorum only so that Senators may know that we are resuming the debate on the pending motion on the committee amendment to the joint resolution which is before the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. Bass in the chair). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have heard with the greatest interest the debate with respect to the provision inserted by the House, to which an amendment has been proposed by the Senate committee and I have listened with the greatest respect to the contentions of the Senator from Oregon [Mr. Morse] and to the contentions of the Senator from Illinois [Mr. Dirksen], exactly opposite to each other in their implication.

It seems to me that the issue is not what the Senator described; and it is for that reason that I have taken the floor in an effort to clarify it.

It seems to me that the issue is not one of anger at Mr. Nasser, however justified that would be, nor is it one of untying the hands of the President of the United States, a position with which I thoroughly agree. Indeed I voted against the prohibition of aid to Indonesia. I believe I was one of approximately 20

Senators who voted against the proposed prohibition in order to keep the hands of the President free.

The issue is whether or not an honest and spontaneous expression of indignation by the American people should be permitted to continue to sound out across the world, or whether it should be stillborn, stopped in the Senate. I think that is the issue, and none other.

There is no issue of oil politics, in my judgment. Our oil people have every right and every reason to explore for oil and produce and sell oil throughout the world. Nor do I think that it is a question involving Israel particularly. There are two schools of opinion on that score. Some believe that the American presence in the United Arab Republic is generally a good thing as part of our endeavor to keep some sanity in the dreadful and continuing intransigence of the Arab States with respect to Israel. Others believe it is time to declare to the Arab States that the world will no longer stand for such irresponsibility.

But I do not believe that is really and directly involved in this particular issue. What is involved is whether the honest indignation of the American people, as expressed in the House of Representatives, is to be sustained and, therefore, allowed to express itself here, or not.

In order to understand clearly that that is the issue, and the only issue, it is also necessary to understand what has happened with respect to the fulfillment of any existing contracts or commitments to Mr. Nasser or, indeed, any likelihood of giving him any aid in the future. As to this, the record is clear. We have been very generous with Mr. Nasser. As recently as 1964—and I am reading from page 93 of the hearings—we sold or gave to Egypt \$143.1 million in agricultural commodities under Public Law 480. We also gave Egypt an AID loan of \$1.4 million, making the total aid to the United Arab Republic \$144.5 million in 1964.

Since the beginning of Public Law 480, we have sold to Egypt, for local currency, the astounding aggregate of \$705,800,000 worth of farm commodities. Mr. Ball sums up the total answer by saying:

Through 1964, the total value of Public Law 480 sales was about \$825 million.

Mr. President, it seems to me that with that kind of record there can be no argument about any nation being short or sharp with any leader like President Nasser. Also, I point out that this very contract itself, of which \$37 million is left for completion, originally called for \$394,800,000 worth of commodities. The overwhelming bulk of the original contract has now been completed.

One other point, which is very important: We have heard arguments about pulling the rug out from under a contract made by the authorities of the United States with the United Arab Republic. When one cancels a contract or cancels any part of it, based upon the terms of the contract, he is not pulling the rug out from under anybody. The terms of this contract are found on page 81 of the hearings.

Those terms are as follows, in paragraph 5 of the contract itself:

The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

In addition, there has not even been a commitment under this contract, as it is generally and euphemistically called, because the contract itself provides that the amounts which are to be delivered under it are to be determined on the basis of an annual review made by the Government prior to the beginning of each fiscal year; and it has already been testified that the \$37 million affected by this amendment does not come within the purview of that kind of agreement.

Finally, there is discussion about whether we are going to offend Mr. Nasser by doing what we are talking about in this amendment. If Mr. Nasser wants to be offended, he has plenty of reason to be offended other than by this amendment. If Senators will refer to page 100 of the hearings, they will find that Mr. Ball testified to the following effect:

Senator ELLENDER. You are now telling the committee, then, that our only obligation to Nasser is contained in the particular agreement under discussion and that no promises have been made to renew or extend more aid to Nasser after the termination of this agreement.

Secretary BALL. That is right, sir.

I take the word of Under Secretary Ball for this; I am not questioning his good faith, and I am not charging any double dealing on the part of the State Department of the United States.

In addition, Mr. Ball made it very clear in his testimony, which appears on the same page, that we intended no further agreements with the United Arab Republic. As I say, if Nasser wants to be insulted, he has plenty of basis for it right in the record. This will not compound or worsen or better the situation we are talking about here. Mr. Ball said:

Let me say with respect to this that whether there would be any further agreements with regard to Public Law 480 assistance is a matter which would have to be fully reviewed with this committee and with the Congress when we come up for appropriations for the following fiscal year. Certainly, there will be nothing more in this fiscal year, and that question is one which will be fully reviewed with you in the light of the circumstances at that time. So there is nothing intended now.

In short, anyone looking for a reason to be offended can be very much offended by the fact, which is now public testimony, that we shall do no further business with Nasser under Public Law 480 unless Congress says we should.

Why is this cry of indignation which has been made in the House of Representatives so important, and why, in my judgment, should it be sustained? The reason is this: A time comes in the life of any person and in the life of a nation when wrenched out of it by a succession of events which become intolerable is that amazing human emotion of indignation. Somehow or other, indignation often has a way of reaching people in

a way that nothing else has. We have been tried sorely by many nations. I agree with the Senator from Illinois [Mr. DIRKSEN] about that. We have been tried sorely by Indonesia and by many other countries. I shall not specify them, because to do so might be invidious. But when events occur in succession, one upon the other, like hammer blows, to make people feel that they have come to the point where they will take them no more, then an expression of indignation can be most effective in this world. It is for that reason that I shall vote against the committee amendment.

To those who would say that we must work along, we must play along, with Mr. Nasser; that it is very important to our position in the Arab world; and that we do not want to antagonize him, I say that that was what we said in 1956, when we caused the forces of the United Kingdom, of France, and of Israel to be pulled out of Sinai, and the result was that Mr. Nasser talked softly until they were pulled out, but then talked very harshly to the world.

We have had a succession of incidents with Nasser in which exactly the same thing has taken place.

First, we have been talked to kindly and graciously, to gain our confidence and dispose us favorably toward the United Arab Republic; then the very confidence we have vested has been abused. This has not happened once; it has happened time and time again. Now it is compounded by the fact that, I think it is fair to say, the hopes and efforts of anti-American activity and propaganda in the whole of Africa, very much tantamount to what is being preached in Communist China, is centered in the United Arab Republic.

We do not know—only the Lord knows—what is being prepared in the way of rockets and missiles there, with the help of ex-Nazi scientists who are employed there. We do not know exactly what Nasser is fomenting in the Congo and in other areas of Africa. We know he brags that he has armed the Congolese rebels, who have been guilty of some of the most barbarous acts that have ever taken place in the civilized world.

We know he has urged the Government of Libya to throw us out of the Libyan bases, and has urged the government of any other African country where he has any influence to be anti-American in its policy and to throw out the United States.

Mr. President, this was not a calculated exercise of foreign policy discretion on the part of the House of Representatives. It was an honest cry of indignation. An honest cry of indignation was well deserved in the case of President Nasser.

I doubt that any adult person believes that we will win with blandishments or with \$37 million in additional commodity aid to President Nasser. He is following a very hard, considered policy on his own. But Egypt is not a country that is distant from us in terms of orientation. It is a country within the compass of the free world. This cry of indignation from the House of Representatives, if sus-

tained in the Senate, may do what nothing else has yet done: it may reach into Egypt and make the people of Egypt feel how very deeply we are offended by what has occurred in their country with respect to us.

I think our action will have, if anything, an influence to tone down Mr. Nasser if we sustain the House, rather than reject the action of the House.

I deeply believe that the President should have freedom of action and that his hands should not be tied. For over a week I have urged the President to give us some declaration of policy which would at least show the displeasure of the United States with President Nasser.

If we should sustain the committee, we would be giving a clean bill of health to the whole operation. We would not even be protesting. We would not even be expressing displeasure. We would be scurrying around in the back rooms and telling Mr. Nasser, "Do not worry about this. The President of the United States will get the Senate to reverse the House." This pandering is equivalent to saying, "They have no backbone. You can use them any way you want. You can play one against the other. They will always come back for more punishment."

Is it not true that the only way in which we can indicate our displeasure is by a protest, and the most vigorous kind of protest, by the President of the United States? The President could have protested the day before yesterday, or the day before that, or the day before that. I would have been delighted to vote the other way if the President had taken that kind of action. But the President leaves us helpless if, acting under the advice of the State Department, he does not do it. We cannot even express our displeasure unless we express our sentiment against the amendment.

Mr. AIKEN. Mr. President, has the President of the United States given the Senator from New York any good reason for not sustaining the House amendment?

Mr. JAVITS. Not at all. I must say this with the deepest of humility and respect—I have asked directly, and other Members have asked the President directly. I am sure that, under the advice of the State Department, the President acted in the greatest of good faith. Nonetheless, we are entitled to believe that if he does not express our displeasure with Mr. Nasser under the terrible provocation that we have already suffered, then we must, or somebody must. It cannot be permitted to go by unchallenged.

Consider the vote in the House of Representatives. One hundred twenty-eight Republicans, every single Republican, voted "aye." Thirty-one Democrats from the southern part of the United States and 45 Democrats from the northern part of the United States voted "aye." This vote was leaderless. The majority leadership in the House was not looking for this vote. It was an honest exclamation of displeasure over Mr. Nasser. Certainly, \$37 million is not going to make or break Mr. Nasser. It

will not make or break us. In my judgment, it will not result in rupturing the diplomatic relations between us unless Mr. Nasser wants to rupture the diplomatic relations. If he does, he has plenty of reason for doing so, as a result of the testimony of Mr. Ball and the testimony of others.

One thing that our action would do would be to tell Mr. Nasser and the people of Egypt, "At long last, we are deeply displeased with what you are doing."

We can take the one method which is open to us to let them know in unmistakable terms that they are not to tempt the United States any farther than they already have.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. Mr. President, I make this statement to the Senator from New York, whose opinion I respect. I sat as a member of this committee. I heard the Secretary of State testify in the Committee on Foreign Relations. I heard Mr. Ball and others testify in the Appropriations Committee.

The point that appeals to me the most in the whole problem which faces us in connection with their appropriation measure is that the President, and the Department of State under the President, have responsibility for initiating foreign policy and for carrying out that policy with respect to other countries.

If Congress flatfootedly refuses to permit the President to exercise the initiative he thinks he ought to exercise, we have taken all opportunities to negotiate away from the President and from the Department of State.

I invite the attention of the Senator from New York to two paragraphs on page 3 of the committee report. This was considered by the committee with very great care.

I shall read the two paragraphs, because I would like to have them in the RECORD. They read as follows:

It is further the policy of Congress that most careful consideration should be given by the responsible agencies of our Government concerning the continued provision of assistance under this act to countries that are, directly or indirectly, hostile to the United States or that are providing assistance to groups or countries that are acting against the best interests of the United States.

In exercising said provisions of assistance, the Congress emphasizes that said assistance is contributed by the people of the United States of America out of taxes paid by them; it is not reasonable to expect them to want to renew said assistance to countries which permit the property of the United States of America to be destroyed and whose leaders make statements derogatory to our country.

That is a statement that the committee unanimously agreed to in adopting the recommendations of the committee. That is in the joint resolution. We feel that it is the initiative of the President of the United States. We expressed our opinion. We still gave him the initiative that he should have. But we made it perfectly clear that we did not like what was going on.

Mr. JAVITS. Mr. President, we have given precatory notice to the State Department in the committee report. Sup-

pose that the State Department does not act upon it? Do we make another request, and another request, and another request? At what time do we exercise our power if our requests are not honored? I point out to the Senator that we have been making this same kind of request for years and incorporating it in foreign aid bill after foreign aid bill. There have been recitals that the country involved should respect the peace and other people, respect transit through the Suez Canal, and respect the property of the United States.

Mr. Nasser has treated such recitals like pieces of paper. And so has the State Department.

Nonetheless, I would not have initiated this proposal. I doubt if I would have voted for the measure if it had come up as an original measure in the Senate. I voted against the Indonesia measure, as I stated earlier.

This action seems to be so spontaneous, and would represent so little in the way of substantive breach, or break, or stoppage, that it would not be like showing all of our authority.

One does not get a decision when these precatory recitals are not honored; and they have not been honored, to my personal knowledge, for 10 years.

Mr. SALTONSTALL. Mr. President, when the security of our country is involved, and we have an equal responsibility with the President to maintain that security, certainly we should act. But, when the security of our country is not directly involved, I believe that we have to leave the initiative of the foreign policy of our country in the hands of the President, the State Department, and the Chief Executive's special advisers.

In this instance, I did not believe, and I do not think our committee believed, that the security of the United States was involved, but rather that diplomatic relations with other nations of the world—which we cannot discuss in detail here in the Senate—are involved. If we take the initiative away from the President and from the State Department we may be interfering with other sections of the world with which we are concerned. It is very important that we leave the initiative to the administration.

Mr. JAVITS. Mr. President, my point is, if I may finish on this note, that sometimes an honest cry of indignation cuts through all the niceties, unties the hands of the bureaucracies, and expresses the heart of the people. This voice having sounded, it should not be stilled. That is exactly how I feel about it. I do not feel that this is a precedent for me, or anyone else. Tomorrow I can vote the other way. But the voice of honest indignation has been sounded; and it should not be silenced in the Senate. It is long overdue.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MILLER. Mr. President, I have an amendment to the committee amendment at the desk which I ask to have stated.

Mr. MANSFIELD. Mr. President, I would like to obtain the floor in my own right, if I may.

Mr. ALLOTT. Mr. President, so would I.

Mr. MANSFIELD. This is an unusual way to bring up an amendment—by having a Senator yield.

Mr. MILLER. I am willing to yield. I would like to have my amendment put before the Senate.

The PRESIDING OFFICER. The Senator from New York has the floor. To whom does he yield?

Mr. JAVITS. Mr. President, I understand the rules of the Senate. I have no right to yield for the purpose of a Senator's making an original speech, except by unanimous consent, whether that unanimous consent is asked for or not. If the Senator from Iowa desires to make a unanimous-consent request, I will yield to him for that purpose.

Mr. MANSFIELD. Mr. President, I will not object.

Mr. MILLER. I do not want to have unanimous consent. I would like to yield to the majority leader. But I want to make it clear that I would like to have my amendment put before the Senate. I have been here all afternoon. I want to get my amendment up as rapidly as possible.

Mr. JAVITS. Mr. President, I understand that no Senator has any objection to having the amendment to the amendment submitted.

Mr. CLARK. Mr. President, reserving the right to object—

The PRESIDING OFFICER. There is no unanimous-consent request pending.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield to the Senator from Iowa for the purpose of presenting his amendment.

Mr. CLARK. Mr. President, reserving the right to object—and I shall not object—I must say that this is a highly unusual way to conduct the business of the Senate. The Senate has rules. Senators know of my interest in orderly procedure. This is no way for the Senate to conduct its business. Unanimous consent should not have been given. The majority leader should be given the right to the floor, and the Senate should proceed in an orderly manner.

I shall not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President—

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The Chair had made the announcement that the unanimous-consent request was agreed to, and on that basis the Senator from Iowa is recognized. Is that correct?

The PRESIDING OFFICER. Yes.

AMENDMENT NO. 22

Mr. MILLER. I call up my amendment (No. 22) to the committee amendment.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 3 it is proposed to strike out lines 13 and 14 and insert in lieu thereof the following: "or are necessary to carry out any other

agreement with the United Arab Republic which has been approved by the Congress."

Mr. MILLER. Mr. President, in view of my colloquy with the distinguished Senator from Florida [Mr. HOLLAND] earlier this afternoon, which has clarified the situation, I ask unanimous consent that my amendment be modified to read as follows:

Strike lines 13 and 14 on page 3 and insert in lieu thereof the following: "and are approved by the Congress."

The PRESIDING OFFICER. Without objection, the amendment to the committee amendment will be so modified.

Mr. President, my amendment being before the Senate, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I shall be brief. I have listened with interest all afternoon to the debate on the amendment which was reported overwhelmingly by the Appropriations Committee. I can sympathize with much of what has been said. I am quite certain that every Member in this Chamber, on either side of the aisle, could make that same statement.

In executive session I asked Under Secretary of State, Mr. Ball, some questions that I would just as soon have asked in open session had I been able to leave the Senate floor that morning.

I pointed out to him that there were certain matters in the field of foreign policy vis-a-vis the United Arab Republic which I thought were open to question; for example, our recognition of the so-called Republican regime in the Yemen, which brought about the dispatch of 30,000 to 40,000 Egyptian troops into that unhappy little country.

I pointed out also that we were aware of the fact that certain statements had been made pertaining to the Red Sea by the President of the United Arab Republic; one of our libraries had been burned; not so many weeks ago, Egypt, among other countries, dispatched arms, material, and munitions, by way of the Sudan, into the Congo.

I pointed out also that, so far as I was concerned, our Government did the right thing in carrying out the Belgian-American paratroop drop into Stanleyville and beyond. I think it had to be done. I approved of it. But I certainly did not approve of Egypt and other countries sending arms to the Congo to assist in the overthrow of the constituted government and making an already tense situation more difficult so far as the Congolese and Africans are concerned. It is known that Nasser has designs on large parts of Africa, as do other African leaders.

I call attention to the fact that some days ago the joint leadership from both Houses were called to the White House, for a meeting and discussion of the foreign situation with the President of the United States. Many personal opinions were expressed. The President made one statement to which I wish to refer, and this can be corroborated, because there were present the distinguished

Senator from Massachusetts [Mr. SALTONSTALL], the dean of the Republicans in this body, the Senator from Vermont [Mr. AIKEN], and others at the White House. The President has feelings, too, but the President has a responsibility which transcends all of our responsibilities because of the particular position which he holds. He said at that meeting that "I have to ask myself one question in the final analysis and that question is, 'What is in our national interest?'"

I asked Mr. Ball the other day if what he was saying represented the feelings and the thinking and the attitude of not only his immediate superior, Mr. Dean Rusk, Secretary of State, but of the President of the United States; and, if it did, whether it fitted in with what is in our national interest. He said, "I would not be down here if it were not on that basis"—or words to that effect.

So perhaps the Senator from New York has not received direct word from the President of the United States, but certainly, from the statement made by the Secretary of State and Under Secretary of State, who speak for the President, I think we have received word concerning the President's attitude in this matter, how he sums up this particular situation, and what he thinks should be done for the next 5 months—and that is all this supplemental appropriation covers. The committee amendment gives the President the flexibility to decide whether or not the remaining \$37 million, the last part of the contract formulated in 1962, is or is not to be carried into effect.

So I would hope that the vote would be in favor of the position taken by the distinguished chairman of the subcommittee which considered this supplemental appropriation, the Senator from Florida [Mr. HOLLAND], who has such a well-deserved reputation for soundness and patriotism, and that the Senate would support him on this occasion.

Remember that in the report issued by the committee, certain strong statements were made which were read to this body by the distinguished Senator from Massachusetts [Mr. SALTONSTALL].

Mr. PELL. Mr. President—

The PRESIDING OFFICER. (Mr. KENNEDY of New York in the chair). The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, when it comes to the exercise of the weapons of tactical diplomacy, many of us believed that the executive branch of our Government should be permitted the maximum flexibility. It is for this reason that I intend to join those supporting the committee's language in granting the administration's wish to retain freedom of decision as to whether or not to continue extending 480 wheat to Egypt. I would add, however, that I am disappointed at the very few times the administration has exerted negatively in the past its much vaunted weapons of tactical diplomacy.

Specifically, only in Indonesia in 1964, the Dominican Republic in 1963, Peru in 1962, and Egypt in 1956 do we see actions taken in the past decade by our various

administrations using Public Law 480 wheat as a means of expressing our disapproval of actions taken by foreign governments. It will be seen that while there are these four instances of such action, these are far too few, considering the provocations that we have suffered during this 10-year period, the times we have been insulted, kicked around and spat upon by various foreign nations.

This compilation of the past 10 years may not be complete, but it is as complete as I have been able to ascertain.

I believe that the administration should be encouraged to use more frequently the weapons of tactical diplomacy at hand, such as the withholding of Public Law 480 wheat, the clamping down of aid, the holding up of consular invoices, or the withdrawal of various amenities that foreign nations have come to take for granted.

In this case, what I, for one, should like to see is what I understand the administration will do; that is, that the administration itself will exert a tight rein on Public Law 480 wheat being sent to Egypt and will do so only on a very short-term basis indeed.

I believe, too, that we should leave our administration this flexibility. In spite of recent difficulties, there still are areas of common interest that Egypt shares with the United States. We should not, for our part, force Egypt to the bottom of the well. For this reason, I favor preserving the widest possible flexibility for those entrusted with the tactical exercise of responsibility for our foreign policy, but I urge the administration to exercise its backbone and use more steel in its withholding of Public Law 480 wheat as a weapon of tactical diplomacy in the future.

Mr. SYMINGTON. Mr. President, for nearly 10 years I have been voicing apprehension with respect to the political maneuvering of President Nasser, along with his obvious disagreement with the policies of the United States, which he recently reemphasized in sharp language.

I would hope that it would be possible for us to terminate any assistance to him, especially as we now know of his extensive activities in promoting the cause of the rebels in the Congo.

There are certain reasons for not voting now for a cutoff of food shipments to Egypt, however, even though no American would approve the calculated laxness which allowed a student mob to burn a library, nor should anyone withhold his contempt for Nasser's previously referred to language when he talked about American assistance.

Despite these occurrences, the Senate now has to consider what is in the national interest. In that connection, I note that the food shipments which are now underway are part of a signed agreement; and that there is nothing in this agreement which calls for its suspension on account of episodes and language like that of recent weeks, however offensive they may be. Should we not ask ourselves if this is the time for the United States to put itself in the position of breaking its word, by breaking this contract.

As chairman of the Near Eastern and South Asian Affairs Subcommittee of the Foreign Relations Committee, I believe it fair to say that our relations in the Middle East are becoming increasingly complex. It is clear that 1965 may well be a year of danger, danger arising from tension over the Congo, tension over Jordan waters, tension both within and among the Arab States.

In recent years, American Presidents have conducted our delicate relations with these countries in an effort to defend the interests of the United States—and, incidentally, to assist in the maintenance of the security of our friends in the State of Israel.

There is no substitute, in such a situation as this, for the discretion and authority of the President, acting under the Constitution, to carry out his responsibility for the conduct of our foreign relations.

Therefore, I believe that the Congress, if the President so decides, should approve his having the right to make the shipments under this existing contract.

We of this body know this President. We know that he will decide to continue such shipments only on the basis of what is best for the country.

I would honestly hope, however, that this is the last aid the President requests for this leader of a totalitarian state who continues to talk and act against the best interests of the United States, and continues to promote unrest in his part, and other parts, of the world.

Mr. CLARK. Mr. President, the hour is late. Senators are anxious to vote and go home or to their many engagements. I shall detain the Senate for less than 5 minutes.

To lapse into the vernacular, Nasser, the dictator of Egypt, is a "pain in the neck," which none will deny.

His activities are utterly without excuse. He has committed grave affronts to the United States. I am just as disappointed with the Egyptian dictator as any one of the "small band of angry men" across the aisle. I am concerned over his activities in stirring up revolution in Yemen. I am deeply disappointed at the way he fuels the arms race by using German scientists to develop a rocket-striking force aimed against Israel. I have no sympathy with the trouble he has stirred up in the Congo by aiding Chinese-backed rebels. I am concerned over his rude, anti-American statements, and the fact that he stood idly by while the USIA library was being burned.

Nevertheless, I shall support the committee amendment because I believe that the President should have the power to send aid to Nasser, if he takes a more responsible "tack," and that the President should not be without power to influence Nasser to end the menace in the Middle East and his quite unjustifiable intervention in the Congo. The result would be greater insecurity for Israel, and a greater danger in sparking and touching off world war III.

Because the hour is late, I shall curtail my remarks and expect to speak more extensively on this subject tomorrow.

Mr. President, I yield the floor.

Mr. ALLOTT. Mr. President, I rise to support the committee amendment.

In view of the opinions which I have expressed on the floor of the Senate in the past, I know that this statement will come as a great surprise to many Senators listening to me.

I realize the feelings that influence not only a great many Members of this body, but also the feelings which prevailed in the other House when it attached to the joint resolution the language which it did, before it was sent to the Senate.

First of all, I recall that for many years I have advocated a firmer and tougher line in all our foreign relations. This has been a consistent act, not only through committee work, but also in my votes in the Senate.

The distinguished Senator from Oregon [Mr. MORSE], who spoke so very well this afternoon, can testify—as other Senators can—to the fact that in the past year I have supported most of his amendments which I thought would add a tougher and more realistic position to our foreign policy.

In the year before last six of us on this side of the aisle took the floor, over a series of weeks, and offered a series of proposals with respect to what could be done in the Cuban situation. Except for one brief reply from the senior Senator from Oregon, we were met by cold silence from Senators, from the State Department, and from the President himself.

We have offered many amendments for the purpose of taking a firmer and tougher line with our allies.

I believe we must ask ourselves, What is the primary and first purpose of the foreign policy of the United States? I was asked this question by members of the Peace Corps, and I gave them this answer, and received snickering laughter in reply. I said that the primary purpose of the United States is to preserve the peace and freedom of the people in this country—not the peace and freedom of anyone else, but the peace and freedom of the people of this country.

I believe that the freedom of other people throughout the world contributes to that peace, but the primary order is the preservation of our safety and our own peace and our own freedom.

The minority leader spoke at some length this afternoon on this subject, and made a very brilliant speech. I agree with his conclusion, but I do not agree with his reasons. I am through, personally, with presenting the other cheek to anyone regardless of who he is. There is no use going through the list of provocations which Nasser has incited, which Sukarno has incited, which Castro has incited, which other people have incited, and which we continue to ignore.

The distinguished Senator from Wyoming also said that we should not speak from pique. I do not speak from pique this afternoon. Only last week I made a very strong statement against any aid to Nasser and the United Arab Republic in any manner, shape, or form.

Something has occurred which has changed my mind. I wish to read two or three significant sentences from the

hearings. I read from page 96, from the testimony of Under Secretary Ball:

Secretary BALL. If I may, Mr. Chairman, I would like to have an opportunity to amplify this to the committee, but I really feel that this is the kind of testimony which probably should be heard in executive session.

Again, at page 99 of the hearings, I read:

Secretary BALL. I would like to discuss this in executive session. We are quite flexible in our approach to this problem. What we want to do is to save the President's ability to deal with a critical situation.

The Secretary repeated that same statement in two or three other places, I believe, in the hearings. This is the key to the reason why the Senator from Colorado has changed his general opinion about this subject and supports the President today. What was said in the executive session, off the record, we are not able to repeat here. I cannot tell my constituents. I cannot tell the reasons. I do say that they were hard facts. These facts caused the Secretary of State, Dean Rusk, to appear before the committees of Congress, and caused Under Secretary Ball to appear for Secretary Rusk, in his illness, just 2 days ago before the Appropriations Committee, and to make the appeal that he made to Senators there. I am sure that many Senators felt in their hearts an indignation and a feeling of outrage, as I felt; and many Senators voted for the amendment which the committee has reported.

When do we face up to our responsibility? Let me answer a part of the question which the Senator from Oregon posed. I say that we face up to our responsibility when we consider things in a long-term range, in an atmosphere of study and calm. I cannot go along with my friend from New York [Mr. JAVITS] in his argument that a cry of indignation will be effective throughout the world. A cry of indignation is like a boy stepping on a thorn. It is instinctive and involuntary, and reflects about the same high mental philosophy.

What we want and what we need in the Senate and in Congress in general is a calm, judicial determination of how we wish to influence the foreign policy of this country through legislation. Every one of us will have an opportunity to do that when the foreign aid bill comes before us later in the session. We shall have another opportunity to do that when the appropriation bill on foreign aid comes before us. Therefore, in this year, every Senator will have an opportunity, at least twice, to consider this matter calmly, with a judicial aspect, and then vote in a way which will best reflect his ideas and concept of the foreign policy of the United States.

I told the committee the other day, when it was considering this subject, that, as I felt now, even though I vote for and support the committee amendment, I have no intention of voting for any aid to the Arab Republic later in this year unless the action today, if it should occur, produces an amelioration of the situation in the Near East.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. STENNIS. Mr. President, I commend the Senator for the very forceful and sound statement he is making with reference to the testimony before the Appropriations Committee. I heard it before the Foreign Relations Committee, too. I heard the sound reasons that were given. We are not now free to disclose those points. I believe the Senator is making a wonderful summary of the situation in which we now find ourselves. For that reason I voted as I did in favor of the amendment in the committee and shall vote for it on the floor. I thank the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from Mississippi. I always value his judgment in all these matters.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. YOUNG of North Dakota. I wish to commend the Senator from Colorado on his excellent persuasive statement. I, too, deeply resent Mr. Nasser's statement about the United States. I believe his position and mine were about the same before we had the hearings on this subject before the Appropriations Committee. Had I been a Member of the House, with the information most Members of the House had, and the only choice open to me between what they voted for and nothing at all, I would have voted with the majority for their amendment. However, I believe that the pending amendment offers an alternative that most Members of the House who voted for the House amendment could accept.

As the Senator from Colorado has said, we shall have another chance to review this matter and to write foreign policy of the United States on an appropriations bill, if we must, and in connection with the foreign aid authorization bill and the agricultural appropriation bill, when we will be appropriating further funds for the food-for-peace program.

Mr. ALLOTT. I thank the Senator from North Dakota. He is entirely correct. We shall have an opportunity to do that.

I wish to conclude my remarks very shortly. However, I wish to make my position clear for my constituents and for the Senate.

Having constantly proposed a harder and more realistic line in international affairs, it is indeed a change of climate to be voting as I shall, particularly in view of the way we have been attacked by Nasser and the things he is doing, which it would serve no purpose to repeat now.

As we now stand, I would agree with the Senator from Oregon in all that he has said about the vacillation, the weakness, and the deviation of the State Department. They have caused all of us worry. The concern of the Senator from Oregon is mine, too. When we authorize the money requested, regardless of what we insert in the joint resolution, the State Department will continue blithely down the same primrose path that it has pursued too often in the past.

Yet I have changed my basic position in relation to the one amendment proposed. When the Under Secretary of

State comes to that committee and in executive session says to the committee, "This is in the national interest"—and I refer specifically to the statement of the distinguished majority leader a few moments ago when he stated that Mr. Ball was asked if this was the position of the President and he told him in substance, "Yes"—I would not be in this room if the President did not so regard it.

As an American, knowing the volatile situation in the Near East and knowing that it is at the boiling point and that it can boil over any time, knowing what the situation is in Africa, knowing the significance of Egypt to the situation in the Congo, knowing the significance of Egypt to the relationships of Yemen and other places in the Near East, I could not avoid supporting the President in the present instance. As I look at it today, if I did not support the President in the present instance, in effect, I would have to say, in my own mind, "I do not believe Ball and I would not believe Dean Rusk if he were here, either, and if the President were here, I would not believe him, either."

But, Mr. President, I cannot say that. I cannot say that, because the President is the shaper and the implementer of our foreign policy. When those men come to us and in an executive session tell us facts which justify their position that it is in the national interest, and that if the President finds it in the national interest, we might utilize this, then in all conscience I must, in this instance, support the President. I can see no other course if I am to keep faith with the oath of my office.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the distinguished Senator from South Dakota.

Mr. MUNDT. The Senator from Colorado is making a very sound and sensible statement. I find myself virtually in the same position in which he finds himself. I for one would like to congratulate the Members of the House who voted in the manner in which they did with the information that they then had, so that this subject could be brought over to us for more serious consideration.

We have now had several meetings in executive session. We have been provided with reasons which are rather persuasive, but which cannot be discussed publicly.

The thing that impels me to vote to sustain the committee position, as I did in the committee, is the fact that this proposal is now our only opportunity to improve our relationships with Nasser to get him to improve his activities vis-a-vis the Congo and some of his neighbors in that area. It is an opportunity we should not fumble by rapid actions or by apologetic bargaining. By tough bargaining we can improve the relationships. By accepting the action of the House and summarily cutting off the aid, it is true we would reprimand Nasser. But we would also close the door on any opportunity for negotiation or improvements. I would like to keep open any

opportunity that we have for progress in this troubled and explosive area of the world.

—After the conference adopts the proposed language, I intend in the Senate Committee on Foreign Relations to interrogate Mr. Rusk, Mr. Ball, or whoever shows up in due course. I shall ask, "What did you do about that \$20 million? What would you do about the remaining amount of money which is available—\$37 million, I believe, in toto? What kind of deal did you drive? What kind of bargain did you make? What beneficial results have you won for America?"

If they come to us and say that they fell on their faces and received no concessions, but they still made available these grains, it will be exceedingly difficult for them again to induce the Congress to go along with what seems to me a reasonable proposal in the present troublesome instance.

This is not the end of the ball game. This issue will be coming up time and time again. The House will pass similar reservations. If it does not, I am sure the Senate will, if in fact we continue to give aid to people who repudiate us, reject us, insult us, and undermine us. The proposal is a good laboratory for us. How good are our bargainers in the State Department? What will they do now that they have been given this opportunity? Will they come through and insist upon some concessions from Nasser or will they deny Nasser any further aid? Or—worst of all—will they continue the aid and win no concessions from Nasser?

It is not a very expensive venture insofar as our international expenditures are concerned. It is a rather easy way to find out in the laboratory of life whether or not the State Department and the President follow through with the assurances that they have made to us.

I shall vote to give them the opportunity, and I devoutly hope that they will be successful.

Mr. ALLOTT. I thank the distinguished Senator from South Dakota. His observations are very timely and helpful. My position is exactly the same as his. Had I been voting at the time the House did with the information that they had, I would have voted the way they did. If I had had to vote before Secretary Ball appeared before the committee the other day in executive session, I would have voted again with the House position. But, as I have explained, I cannot in conscience and as I see my own duty—and I do not cast any reflection upon the position or the views that any other Senator has—after listening to that, and after listening to those representations, I can do nothing else but support the committee amendment, for which I voted in committee.

Mr. COOPER. Mr. President, I shall vote to sustain the committee amendment. I have one chief reason for doing so. The question is, whether in this first test in the first full term of President Johnson, the Congress shall deny him the authority to negotiate and to exert all the authority of the President with

respect to the sensitive situation in Egypt. I believe that he should have that opportunity. Therefore, I shall vote for the committee amendment.

Nevertheless, I doubt very much that our action today will settle very much. We have voted upon similar situations in past years. I am afraid that when the foreign aid bill comes to the floor of the Senate this year, we will be voting again upon aid to Egypt, Indonesia, and similar situations. I believe a much deeper question is involved. We are in this sorry situation today, because succeeding administrations, and the Congress of the United States have failed to establish any consistent aid policies, and we have lost control of the foreign aid program.

I have no simple remedy. Our concept of foreign aid has changed. At its beginning, foreign aid was designed to help countries establish industrial and agricultural strength which would in time, raise the living standards of their peoples. We know that much of our foreign aid has been wasted, and that it has not contributed greatly to solid economic development. We know also, as in this situation, our aid has provided countries, which devote their needed resources to aggressive purposes. Our basic purpose is to help independent countries remain free and sovereign, that they may contribute to freedom and security, including that of the United States. But our aid has been turned against our basic interests by some countries.

I do not believe, as some have testified, that it is in the best interests of our country to continue to make it possible for countries to offend our basic purposes, by providing aid to them.

This afternoon, it has been said that when we work upon the foreign aid bill, we shall be able to evolve a new program, or correct the mistakes of the present program. I doubt it very much. I think it likely that we will be voting again whether to give aid to Egypt or Indonesia, and upon the same issues before us today. But I hope very much that we shall maintain today the authority of the President. I have come to believe that the only way we can recapture control of our own foreign aid program, or the chief way, is by the initiative and action of the Executive. The President, as he starts on a new term, has now a better opportunity to correct our foreign aid program and make it effective, than he will ever have. Countries over the world are looking toward him. They wonder what his policies will be. He has unusual authority and power to correct the foreign aid program, and I believe that he will do so. I would hope that our programs would be reviewed and assessed in every country, as I have urged for years, as the Senator from Oregon [Mr. MORSE] has said for years, and as the Congress voted 2 years ago on my amendment to the foreign aid bill.

I would hope that the President would establish policies that would be applicable to every country; that our economic aid would not be continued unless used effectively; and that we should not give economic aid to countries which used it to supplement their resources for aggression.

I propose a way to reestablish consistent policies, and recapture control of our foreign aid. I would like for the President to announce, with the approval of the Congress, that for the year 1965, or any part of it, that the United States does not intend to make available any economic aid to any country except for humanitarian reasons, until he had reviewed and assessed our program and until policies were laid down applicable to all countries.

I have written the President and suggested that he do this.

The reasons why I think it would be an effective plan are as follows: It would give the executive an opportunity, in consultation with Members of Congress and committees charged with the responsibility, to develop a program and policies which would carry out the purposes we want carried out, beneficial to the countries we help, and to the United States, and fair to our taxpayers.

Also, if it were to deny aid to all countries for a time, it could not be said that we were punishing or favoring a specific country.

Third, if aid were discontinued for a time, countries wanting aid would have to come to us, openly and fairly, on the terms of our policies.

Today, after having received aid for years, if it is suggested to some countries that it should be made more effective, they answer by saying, "You are putting strings on our aid." If we suggest to Mr. Nasser "You should stop certain actions; otherwise we cannot give you aid," he replies, "You are interfering with the policies of our country."

Some others give the impression that if we do not give them aid, they will go to Russia. I would say, "Go to Russia." In effect, the program has become their aid program, not ours, used by them for their purposes.

I have voted for foreign aid since I have been a Member of the Senate; but since I had the opportunity to observe its application in one country—India—when I was there as Ambassador for more than a year, I knew that the program ought to be strengthened and its defects corrected.

In all those years, I have urged that certain steps be taken to make the aid program more effective. I have not been wholly successful. Today we have come to a climax, to the point where we know that something must be done. The most important thing to understand is that we have lost control of the foreign aid program—the program of the United States.

I shall vote to give the President this authority, which I think he deserves; but I hope with all my heart that he will use this time to review and reassess the entire program and place it in its original concept. I believe he should discontinue the program for a time—for a year, if necessary—to develop the proper policies consistent with the interests and good purposes of the United States—that it may again become an effective foreign aid program of the United States and its people, and that it will be genuinely helpful to recipients. It is the program of the United States, and not of other coun-

tries, and it must not be the program of countries which turn our aid against the interests of the United States.

Mr. LAUSCHE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield briefly?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. Mr. President, I have discussed with the distinguished minority leader the schedule for the remainder of the evening. The minority leader is momentarily absent from the Chamber, but I feel that I should make an announcement, and I do so with his approval and, I believe, with the approval of most Senators now in the Chamber.

The Senate will be in session for some time yet this evening. I hope it can dispose of this amendment shortly, one way or the other, and then take up the Mundt proposal and, if possible, come to a final vote on the joint resolution itself.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I assume that the distinguished leader, in referring to "this amendment," meant both the Miller amendment and the United Arab Republic amendment, to which it is addressed.

Mr. MANSFIELD. Yes, indeed.

Mr. LAUSCHE. Mr. President, I give deep faith to the arguments that have been made by the Senator from Kentucky [Mr. COOPER], the Senator from North Dakota [Mr. YOUNG], and other Senators, urging that we accept the proposal made by the Committee on Appropriations.

For the past several years, I have been hoping that better treatment of our country would come from those who have been the recipients of our generosity.

I have subscribed to the policy of turning the right cheek after I have been smitten upon the left. I have done so with a great deal of contentment within my own conscience. But, as time passes, I have concluded that this submission to attacks by those whom we have helped has not contributed to our character or our security. Suffering abuses has not helped our image among the nations of the world.

When we have allowed our enemies and our friends to expropriate property without protest, we have witnessed an advance of expropriation by other countries. When we have continued to give aid to those who have spat upon our flag, burned our embassies, torn down our libraries, attacked us with the epithet we were an imperialistic nation, and sought to create disturbances in countries where we were attempting to bring tranquility, we found that instead of our position growing better, it grew worse.

I do not want to approach the issue of Nasser on any basis except what I believe is in the best interest of our country. And, approaching it from that standpoint, I know that when Nasser went into Yemen, he followed a course that was inimical to the security of our Nation. I know that when he granted that his nation should be the vehicle and the corridor for creating disturbances in the Congo, he was not helping the secur-

ity of the United States. I know that when, at the Belgrade conference of the nonaligned neutral nations of the world, word was received by those in attendance—which included Nasser—that Red Russia had broken its agreement about the nonuse of nuclear tests, no word of protest came from Nasser, or any of the other so-called neutral nations in attendance.

The principal objective of our course should be the establishment of an image of the character of our country. We cannot be exhibited around the world as being spineless and absolutely devoid of what the ordinary individual would claim to be character. By the use of the word "character," I mean that we should say, "We shall give you help with respect to your need for food. We will not oppose you in your efforts to develop your nation in conformity with what you think is right. We will tolerate your attacks and your abuses up to a certain point. But, when that point has been reached, our character demands that we discontinue the sufferance of the attacks which you have made upon us."

The senior Senator from Oregon spoke today about a forfeiture or an abdication of the powers of Congress, as contained in the language which states that if the President determines that it is in the interest of the country, he may grant this aid. I subscribe to what he said. But, I point out that that principle should not be applied only to Nasser. It should be applied to the Communist countries of the world. It is not being applied to them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LAUSCHE. Mr. President, I shall yield in a moment.

I hope I shall not be boring to my associates, but there has developed a new philosophy in the foreign relations of our country.

I want my colleagues to listen to what I say. We shall be hearing more and more of the theory that there is no Communist country in the world. I repeat that. We shall be hearing more and more from persons in high, responsible positions that there is no Communist country in the world. That will be said to us in spite of the fact that we have statutes on the books which identify certain countries as Communist countries.

I want to adopt a uniform principle that will apply to Nasser and to the Communist countries, concerning this dispensation and exculpation of abuses which they have perpetrated upon us, through the President saying, "It is in the interest of our country to grant aid." If we are to do that, let the program be uniform.

I yield to the senior Senator from Oregon.

Mr. MORSE. Mr. President, if the Senator from Ohio is laboring under the misapprehension that it is the belief of the senior Senator from Oregon that the principle he argued for today in respect to uniform application should not be applied, let me disabuse him of that impression.

Let me say also that when we aid Nasser, we are aiding communism. Let us not deceive ourselves about that.

Mr. LAUSCHE. Mr. President, I have not yet stated what my position on the bill is.

I shall vote against the committee recommendation. I shall do so because I believe the time has come when we must establish the image among the people of the world that our flag shall not be torn down, that our property shall not be burned, that we shall not suffer under the claim that we are an imperialistic nation which wants to exploit the people of the world, that we shall not allow our enemies to be aided and our good purposes to be ignored.

The past 15 years have demonstrated that that policy does not work. We are growing weaker and weaker everywhere around the world.

Mr. President, I yield the floor.

Mr. MILLER. Mr. President, I wish to say a few words about my amendment. What we have been talking about for the past 2 hours is what is in the national interest.

The committee amendment provides:

That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such act, except when such exports are necessary to carry out the sales agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest.

The action of the House of Representatives makes it very clear that a majority of the Members of the House, in a bipartisan vote, do not believe that it is in the national interest at all; and they do not want anybody else to decide that question, either, except the Congress of the United States.

That is a pretty severe position to take, but it is warranted by what has taken place. First of all, I would be shocked if any Member of the Senate would say that it is in the national interest, as of now, to go forward with \$37 million more of foreign aid to the United Arab Republic. It is about time for us to show some self-respect as a nation. The intemperate language that has been used by the leader of the United Arab Republic, the anti-U.S. propaganda which has been delivered over various means of communication in the Middle East controlled by the government, and the burning of our library are only a few of the instances which have impinged upon the respect of the United States.

Our security is involved, and I say this with all respect to my friend from Massachusetts, because the confidence of other nations of the world is involved, or their respect, not only for the strength of the United States, but for the willingness of the United States to use its strength.

I do not need to point out that we are reading all too frequently statements made by Communist leaders, particularly Mao Tse-tung, to the effect that the United States is a paper tiger. Smaller nations, particularly to the south of us, are very perceptive. Many of them are worried about whether or not we are indeed a paper tiger. If we are not willing to stand up against a situation which exists in the Middle East with respect to our foreign aid,

then how, they will wonder, can we possibly stand up to situations which are much worse, including the one in South Vietnam.

There is more involved than merely the self-respect and security of the United States. The United Nations is very much involved. We say, as a matter of national policy and national interest, that we are for the United Nations and that we support the United Nations. Yet we are giving aid to a country which has gone contrary to United Nations policies through its aggression in Yemen, through its support of the rebels in the Congo, and through its persistent delinquency in the payment of dues and assessments to the United Nations.

As of December 31, 1964, the United Arab Republic was delinquent to the extent of \$374,322 in dues and assessments to the United Nations.

This, Mr. President, after \$700 million of foreign aid from the United States, which, as the Senator from New York has pointed out, has been what we have contributed since our foreign aid program began.

It is about time for us to face up to the fact that, in determining the national interest, the Congress has a responsibility. It is not for us to slough off that responsibility to the executive branch of the Government. There are certain areas where the executive branch probably has more of a responsibility in determining the national interest than does the Congress. This should be done on a partnership basis, if at all possible.

During the past few years, Congress has gone far more than half way in allowing the executive branch to determine what is and what is not in the national interest. I do not believe we should have gone as far as we have gone. The people of the United States look to their representatives in the Congress to declare what is and what is not in the national interest, especially when our self-respect and national security are involved.

I point out that we are not involved in reneging on any agreement. The distinguished Senator from New York [Mr. JAVITS], made an excellent statement on this point. I should like to amplify it to some extent what he had to say about it.

On page 89 of the hearings before the Committee on Appropriations on the supplemental appropriations for certain activities of the Department of Agriculture, 1965, it is indicated that there are \$37 million in purchase authorizations which have not been issued.

On page 81 of that same document there is set forth the agreement itself. The very first paragraph of the agreement reads that subject to the issuance by the Government of the United States of purchase authorizations, certain things will be done. Since these purchase authorizations have not yet been issued, they are subject to issuance, and the contracts are based upon their issuance. If they are not issued, there is no contract, or at least the contract is terminated in line with the very terms of the contract.

Also on page 89 of the same hearings, it is indicated that some \$30 million more is involved, namely, purchase authorizations of \$30 million which have been issued.

The committee amendment is not clear on this point. I understand that the State Department thinks the \$30 million for which purchase authorizations have already been issued would not be affected by the committee amendment, and that only the \$37 million for which purchase authorizations have not been issued would be affected.

I am willing to abide by that interpretation. So what we are really talking about is \$37 million, for which clearly no purchase authorizations have been issued, which would be within the express terms of the contract.

A further item should be brought to the attention of the Senate in connection with the alleged "reneging" of our agreement.

On page 88 of the hearings, in a letter to the distinguished Senator from Florida [Mr. HOLLAND], the Department of Agriculture set forth a memorandum regarding the current status of the agreement with the United Arab Republic. On page 89 it is stated:

All purchase authorizations which have been issued are by their terms expressly made subject to the provision of the regulations under which they are issued. These regulations reserve the right "at any time" and "for any reason or cause whatsoever" to revoke any purchase authorization and terminate deliveries thereunder.

I suggest that the argument of anyone who would impute to the Senate a reneging of an agreement or the embarrassment of our officials who may have negotiated this agreement is not well placed at all.

It is said, also, that the committee amendment represents the only chance for any leverage or bargaining power with the United Arab Republic. I submit my amendment gives us another chance, because my amendment does this. It states, in effect:

Go ahead and negotiate with the United Arab Republic, but let it be clearly understood that the negotiations are subject to final approval by Congress. We have not slammed the door shut, as is now the case with the action taken by the House. There is still a card left in the deck, so to speak, for negotiating and bargaining purposes. But, when and if a negotiation takes place with the \$37 million, then Congress will take a look at it and will have to approve it.

We shall have 2, 3, or possibly 4 months to see how things go, with respect to the attitudes and actions of the United Arab Republic. It would be hoped that 2 or 3 months from now, if an agreement is negotiated regarding the \$37 million, Congress could wholeheartedly support the agreement; because, in the meantime, the United Arab Republic will have shown itself to be a good, upright citizen—in fact, a free nation, and a good member of the United Nations. But, if it has not, then Congress, naturally, would not be expected to approve the agreement.

One final argument. On several occasions I have heard mentioned the im-

portance of comity between the two Houses. This is a perfect time to preserve comity between the two Houses. The 204 Members of the House of Representatives who voted for the House amendment did not do so lightly. They did not do so on the spur of the moment. Those Members of the House have seen what has happened. They have done their homework. It will be difficult, I believe, for any of them to change their minds on the subject. If the Senate comes along and destroys that amendment completely, I believe that the comity between the two Houses will be threatened.

My amendment offers a middle way. It still keeps a string on the \$37 million. I would be hopeful that the House would go along with that amendment, but I would be pessimistic that the House would acquiesce in the amendment by the Appropriations Committee if that prevails.

Mr. President, I am happy to yield. I understand that my friend, the Senator from Florida [Mr. HOLLAND] wishes to respond, and I am happy to yield to him at this time.

Mr. HOLLAND. Mr. President—

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Florida is recognized.

Mr. HOLLAND. I have had little to say today, although I have been assigned by the chairman or the Appropriations Committee to handle the bill.

This particular amendment, which we have been arguing about for more than 6 hours, relates to only 2 percent of the total amount of the joint resolution. The joint resolution relates to the important and vital functioning of the Department of Agriculture in three fields—which I am not going to discuss at this time because everyone should know about them; but they relate to the very bones and sinews of the agricultural program of the Nation.

Therefore, I have had little to say, after 6 hours or more of debate spent on the subject, and after we approved the amount which is involved—and it is a big amount, \$1,600 million—after we adopted the other two amendments and got down to the discussion of this little amendment which relates to Egypt.

With all due respect and much affection for the distinguished Senator from Iowa [Mr. MILLER], let me say that I believe that his amendment would leave us in a very unfortunate position. It would make it look as though the Senate thought that the Constitution permitted Congress to have the last word on a matter such as foreign policy. The Congress does not have that authority under the Constitution. That is a policy so well settled, and a philosophy so well fixed, that there is no way in the world for the Senate to change it.

I am sure that this amendment was drawn rather impulsively on the floor of the Senate. I so regard it.

The amendment as drawn retains the wording of the House provision, and then adds these words, which were in the committee amendments—

Except when such exports are necessary to carry out the sales agreement entered into October 8, 1962, as amended.

Then it completes the amendment with these words offered by the Senator from Iowa [Mr. MILLER]—

And are approved by the Congress.

This means that he would provide, if his amendment were adopted, that regardless of negotiations, regardless of the Constitution and the laws under it, Congress would undertake the responsibility of asserting the last word in the matter of international policy and administration.

I rarely move to lay a motion on the table and am not going to do so in this instance if it is possible to obtain an immediate vote. I know that Senators wish to go home. I would hope that Senators will permit a vote to be taken on this particular amendment. If that can be done, I shall be glad not to make a motion to lay on the table.

Mr. MILLER. Mr. President, I should like to respond briefly to my friend the Senator from Florida [Mr. HOLLAND], and emphasize that the amendment was not impulsively drawn.

The substance of the amendment was discussed with the Secretary of State when he was in the Senate committee last week. I regret that his illness apparently prevented following up on his assurance that he would have to look into it.

Second, with respect to the constitutional argument, I believe that if the Senator would push his argument to its logical conclusion, we might say that Congress is not even permitted to act on the appropriations bill. I believe that Congress has that permission. I believe that Congress has the last word with respect to foreign relations insofar as Public Law 480 is concerned, and insofar as the appropriations thereunder are concerned. Congress itself enacted Public Law 480. If Congress can extend authority under Public Law 480, it can also withdraw authority in whole or in part. That is all my amendment does. It would withdraw authority with respect to only a very small but a very important part.

Therefore, I hope that this debate will not go off into a constitutional argument. I respect my very dear friend the Senator from Florida [Mr. HOLLAND] but I do not believe that his argument would stand up, if he would carry it to its logical conclusion.

In any event, I do not wish to delay the Senate any longer. I hope that we may vote on the amendment.

NEED TO PRESERVE PRESIDENT'S FOREIGN POLICY
POWER IN EGYPT

Mr. McGOVERN. Mr. President, I support the language that the Appropriations Committee of the Senate has approved to give the President discretion in carrying out the agreement to sell surplus agricultural commodities to Egypt.

Mr. President, I am concerned, as I know all the American people are concerned, over the recent actions of Egypt's President Nasser. The shipping of arms to the Congo to inflame a murderous civil war, as well as such prior activities as shipping weapons to Cyprus and maintaining a military force in Yemen, are clearly not in the interests of the

United States, or of peace, in the critical areas of the Middle East and Africa. Nevertheless, I believe that we must be realistic about this matter. Is it conceivable to anyone that the cutting off of \$37 million of foodstuffs sales is going to cause a shift in Nasser's attitudes? Can we seriously expect that by cutting off these sales for the next 6 months we would convince Nasser to reverse his policies in these areas, throw his arms around the American Ambassador and promise never to threaten American interests again?

Mr. President, these very questions are ridiculous, for it must be quite clear that the actions we take today will not have any constructive effect on Nasser's policies. On the contrary, if it has any effect at all, it will tempt Nasser to undertake still more destructive policies which in the long run will help neither the United States nor the United Arab Republic. It is hardly becoming for a great power like the United States to act from sheer spite, without any hope of accomplishing what we seek to accomplish, and with a real danger of deliberately worsening relations with an important foreign country merely out of anger or intemperance.

Mr. President, an article written by John S. Badeau, former American Ambassador to Egypt, in the latest issue of Foreign Affairs puts the whole question of American-Egyptian relations in a rational perspective. There is, indeed, a "crisis of confidence" between the United States and Egypt. There are real differences in the policies of both countries, yet by and large both the United States and President Nasser's government have a number of common interests and both have far more to gain than to lose by maintaining moderately good relations. Ambassador Badeau points out very cogently that from the Egyptian point of view American policy in the Middle East has been inconsistent. In his words:

American foreign policy toward Egypt has been so erratic largely because Americans—like Egyptians—react rather than act. They do not recognize that it is possible for two countries to oppose each other on specific issues while maintaining a continuing and mutually profitable relation. It is too often an "all or nothing" policy. Either American wheat buys Egyptian compliance to an American viewpoint, or there will be no American wheat. This assumes that the object of American aid is to "bring Egypt to heel," and that when this fails the only alternative is pressure totally to stop the aid program. This seldom works, and particularly it does not work with President Nasser. If the United States desires to protect such national interests as involve the United Arab Republic, it must be prepared steadily and quietly to pursue a policy that does not fluctuate like the stock market with every political crisis. American policy must be aimed at maintaining a relationship with Egypt, not on seeking pretexts to sever it.

Mr. President, we must keep our eyes open and our wits about us in dealing with President Nasser. The aid we are supplying him is not tanks and machine-guns but wheat, dairy products, and beef. These are not implements of war, but products designed to help the people of Egypt to achieve a higher standard of

living. These products are shipped under title I of Public Law 480 which enables the Government of Egypt to sell these goods for Egyptian currency which then remains under the control of the United States. President Nasser cannot take this money and go out and buy weapons with it. It has been implied that, indirectly, some of these funds have been misused to support Nasser's military ventures in Yemen. Responsible Government agencies deny these charges, but if there is still concern in the minds of Members of Congress that U.S. aid to Nasser may have gone astray or been misused in any way, then the proper course is to authorize an investigation and audit, perhaps by the General Accounting Office. Certainly, if any other agency of Government were accused of misuse of funds, our reaction would not be to abolish that particular agency of Government or program but to investigate the situation and determine what actually has happened. I do not believe that the charges of a single defector who may have ulterior motives of his own should be the basis for abruptly terminating a commitment of this nature without any effort to get further facts.

Finally, Mr. President, we must not forget what happened in 1955, when Secretary of State Dulles abruptly canceled U.S. promises to help with the Aswan Dam project. That was done as a strong expression of disapproval of Nasser's policies. It was a clear effort to tie foreign aid assistance to acquiescence with the broad political policies of another government. The results were not at all what we had sought and, in fact, created grave problems in the Middle East for many years thereafter. It is, of course, one of the common lessons of history that men do not learn from history, but surely that example less than a decade ago should be fresh enough in our minds and should discourage any desire on anyone's part for a repetition.

Mr. President, in short, there is nothing to be gained by an action taken from spite, carried out with great fanfare, and designed not seriously to weaken President Nasser but merely to antagonize him. There is nothing to be gained in the eyes of the rest of the world by depriving the people of Egypt, and the children of Egypt of foodstuffs which we have virtually promised to make available to them. One does not starve a nation into friendship. I strongly believe that the President must have the discretion provided by the language approved by the Senate Appropriations Committee in order to conduct any kind of rational and meaningful relations with President Nasser. We would be cutting off our nose to spite our face, as the saying goes, to deny Egypt surplus U.S. food. We would not be enhancing the security of Israel by this act, or encouraging Nasser to cooperate more closely with the United States. We would only be aggravating an already dangerous climate of distrust and antagonism in the Middle East.

Furthermore, Mr. President, I believe that it would be an extremely dangerous precedent to establish the requirement that Congress must approve Public Law

480 food-for-peace agreements. Congress is not and should not be an administrative body. It does not have the staff or the facilities to investigate and act on executive agreements. The amendment offered by the junior Senator from Iowa [Mr. MILLER] appears to be clear and straightforward. In actual fact, it is a back-door approach, overturning the constitutional responsibilities of the executive branch of the Government and placing Congress in a position where it does not belong and where it cannot act properly and responsibly. If the Senator feels that such a far-reaching change is necessary, then his proposal should be introduced in the form of a straightforward amendment to Public Law 480 on which hearings can be held, officials connected with the program can be heard, and a thoughtful investigation made. The increasing tendency toward what I call back-door legislation—to alter the nature or operation of a program by an amendment offered at the last minute on the floor of the House or Senate without going through the front door of committee hearings and study—is, in my judgment, unwise. It bypasses competent committees and does not permit careful responsible legislating. I am deeply opposed to the amendment offered and urge that it be defeated.

Mr. President, I strongly urge that no changes be made in the language which the committee recommends.

I ask unanimous consent that Ambassador Badeau's article to which I referred earlier be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA AND UNITED ARAB REPUBLIC: A CRISIS IN CONFIDENCE

(By John S. Badeau)

During recent congressional debates on aid legislation many harsh things were said about the United Arab Republic and its President. One Senator stated that "Col. Abdel Nasser * * * has been responsible more than any other single individual for keeping the political cauldron boiling in the arid, strifetorn Middle East * * * pouring oil on whatever brush fires break out." President Nasser has been equally sharp and critical. Early in 1964 he publicly described American foreign policy toward the Arab world as "not based on justice but on the support and consolidation of the base of aggression, Israel, and we cannot, under any circumstances, accept it."

To be sure, much of this may be dismissed as political talk for the public ear. Nasser, no less than American Senators, has a constituency which periodically must be stirred up and marshaled for support. There is thus little new in the current skirmishing between Arab and American spokesmen—but those who follow United States-United Arab Republic relations closely feel there ought to be. For this increased tempo in verbal attacks comes during a period of notable improvement in relations, when both the United States and the United Arab Republic, as a matter of basic policy have been trying to get along with each other.

For both parties the change began in the aftermath of the Suez affair. By its prompt support of the United Nations and its refusal to back the Israel-Anglo-French invasion, the United States gave practical proof of its impartiality in Middle East quarrels which threatened the peace of the area and the world. This was followed by a quiet mend-

ing of relations in the closing days of the Eisenhower administration. Economic aid to Egypt was cautiously reinstituted and a franker exchange of views took place. President Kennedy supported and expanded this policy, identifying the Middle East as an area vital to American interests. He sought to develop relations with Egypt around points of mutual interest, while recognizing that the United States had, and would continue to have, sharp differences with Nasser.

In making this approach, the United States paid particular attention to economic assistance. Whatever else the revolution in Egypt stands for, it is the most vigorous attack on the perennial problems of poverty, disease, ignorance and privilege ever seen in the ancient valley of the Nile. With a burgeoning population (doubled since 1936), severe limitation of arable land (3½ percent of the country's total area), and limited foreign exchange earnings (chiefly the cotton crop, Suez Canal tolls and tourism), it is obvious that the United Arab Republic cannot forge ahead with desperately needed modernization and social advance without substantial foreign assistance.

Here was a point of mutual concern on which closer American-Egyptian relations could be built. On its part, the United Arab Republic needed to develop a healthy and progressive society without being captured in the process by the Soviet bloc. But a socially stable and progressive Egypt was also in the interests of the United States, one of whose basic Middle East policies is to contribute wherever possible to tranquility through social progress in this vital region. Political and economic chaos in the Valley of the Nile would have repercussions in the surrounding area. Both in its own right, and as a major influence in the Arab world, the sound economic progress of Egypt is a desirable American objective. American economic assistance, chiefly through the Public Law 480 food program, was therefore increased.

Egypt's response to this approach opened a new era in United States of America-United Arab Republic relations. A cultural agreement was signed in 1962. In 1963, after 11 years of negotiation, Egypt entered into an investment guarantee agreement with the United States, aimed at stimulating and protecting American business interests. On several occasions, notably at the Economic Conference in Cairo in the summer of 1962, the United Arab Republic played a moderating role in containing African and Asian extremists. Nasser opposed the Soviet resumption of nuclear testing and shifted his policy away from supporting Gizenga in the Congo. While maintaining diplomatic relations with Cuba, the United Arab Republic displayed little enthusiasm for Castro and took a reasonably sympathetic attitude toward President Kennedy's showdown with Khrushchev. And for the first time in some years, the controlled press in Egypt gave a fairly objective, often sympathetic, account of American actions.

Against this background of cooperation, the shrill crescendo of bitter accusation between American and Egyptian leaders strikes an ominous discord. A popular Egyptian proverb says, "One day it's honey—the next onions." After the good diet of the past 3 years, are American-Egyptian relations in for a ration of onions? Under the present administration, the United States made its most determined effort to protect its interests in the Near East through a reasonable rapprochement with the United Arab Republic. Are all such efforts bound to be fleeting? What is it that interrupts them just when everything seems to be going well?

The answer is not to be found so much in specific policies of the two countries as in the atmosphere within which these take place. At the end of the First World War,

an American observer reported that "Before all else (the nations of the Near East) need renewed confidence in each other and in us, and in our honest purposes of good." That is as true today as it was 40 years ago. The day of honey in Arab-American relations so easily changes into a day of onions because there is a mutual distrust of each other's honest purposes of good. Actions in themselves relatively minor become objects of deep suspicion because they are seen as cloaks for imperialism, neo-colonialism, pan-Arabism, or the personal ambitions of some Arab ruler. The crisis is often a crisis of confidence, generating a fog of suspicion which chokes good relations and makes it difficult to negotiate a lasting solution to differences.

It is a crisis in confidence which currently threatens American relations with the United Arab Republic. Although the mutuality of interests continues, the United States is wondering whether in the light of recent events it can trust the United Arab Republic to follow a reasonably consistent course of cooperation—or will it undercut vital American interests in the Arab world at its own whim? And can the United Arab Republic trust the United States to pursue its present course with continuity—or will the erratic winds of changing administrations and election pressures continually blow American foreign policy off course? It is doubt about these fundamentals of the American-Egyptian relationship which has created a crisis between the two nations.

One reason for such doubts is the very success of recent policy. Each party now finds itself playing an important role in the national interests of the other, a role in which the capacity to hurt is large. American food makes a massive contribution to the well-being of Egypt and is a resource on which the United Arab Republic national budget is currently based. While the country could get along without it (as the aftermath of Suez shows), the withdrawal of our food sales would create a serious economic problem. Moreover, the attitude of the United States influences both government and private credit resources in Western countries upon which the United Arab Republic now depends for its badly needed foreign currency assistance. Thus the United Arab Republic is nervous about anything which might suggest a sudden shift in American policy and scrutinizes carefully and suspiciously every American statement, fearing the worst.

But the United States also is nervous about Egypt. The United Arab Republic and its President are the single most powerful force in the Arab world. With the largest and most modernly equipped Arab army, the most powerful and sophisticated propaganda system and wide appeal among the Arab masses, President Nasser has a potential which cannot be neglected by any nation having interests in the Near East. He has the power to harm American interests to a considerable degree, as the response to his call for liquidating the American airbase in Libya shows. It is not simply a matter of power and ambition; Nasser typifies the socially revolutionary and politically self-determining forces which are at work in most countries of the Near East. If these forces, under the spell of Nasser's leadership, are aroused against American interests in Libya, Jordan, and Saudi Arabia, they can cause much trouble, even if they might not in the end totally destroy the U.S. position.

But this mutual fear is more than a current mood, bred by recent experience. There are, in fact, good reasons for the United States and Egypt to suspect each other—reasons which have a long history. Each Nation has a bill of particulars against the other, drawn from the experiences of the last decade. It is this which forms the reservoir of suspicion from which a crisis of confidence is so easily drawn.

On Egypt's part, the first count against the United States is the unpredictability of its policy. American-Egyptian relations since the revolution in 1952 amply illustrate this. In the opening stages of the new regime, America was closely and hopefully identified with it, believing that a change in social and political conditions was long overdue in the Valley of the Nile. This led to a "honeymoon" policy, when sympathy and identity of interests seemed high.

In 1955 this cordial relation abruptly changed, due to Egyptian arms purchases from the Soviets. Failing to secure military equipment from the West on acceptable terms, Nasser turned to the Soviet bloc. The American reaction was a reversal of policy, which now set itself to contain and separate Egypt from its Arab neighbors. This was the policy of "isolation"—a long cry from the "honeymoon" which preceded it.

This policy failed. The United States was unable to isolate Egypt, the Israel-Anglo-French invasion of Egypt brought Nasser to the summit of his influence in the area, and it became clear that some new approach was needed. In the aftermath of Suez, America therefore shifted to a line that was "cautious but correct," gradually reinstituting aid and seeking at least minimal normal relations.

Under President Kennedy, this was reinforced and expanded to become a policy of "selective cooperation" built on mutual interests. In no sense was this a return to the "honeymoon," with uncritical support of all United Arab Republic policies. Rather it was based upon a sense of mutual needs and a willingness to concentrate on these instead of on the many disputes which had soured past relations.

Thus in less than a decade the United States has followed four different policies toward Egypt. While each is defensible in terms of the conditions which produced it, the effect on the Egyptian is to create the impression that American actions are unpredictable, not built upon clear principles—indeed, not even built upon a consistent view of America's own interests. It is this penchant for change in the American course which makes the Egyptian reserved and suspicious of us, especially during a period when relations are good.

A second cause of Egyptian suspicion is the rapid rise of American power, particularly in and near the Middle East. Prior to the Second World War, the American presence in the Arab world consisted chiefly of missionaries, educators, archeologists, and a limited number of businesses, petroleum being the largest. The United States was a threat to no one; it had no bases, no troops, no fleets, and it displayed none of the panoply of power Arabs expected from a great nation.

This changed after the war. Beginning with President Truman's commitment to the defense of Turkey and Greece in 1947, the United States played an increasing role in the area. Military bases in Morocco, Libya, Turkey and Arabia, the powerful 6th Fleet always just across the horizon, support for the military establishments of Iran, Turkey and Greece, the landing of Marines in Lebanon—these were disturbing proofs to the Arab that the United States had become a military presence which could interfere with actions of the Arab States whenever it chose. What Great Britain once was, the United States has now become—the policeman of the world. Therefore the spectre of American might in the Middle East always lurks just offstage and Egyptians are convinced that at some unexpected point it will step from the wings to play the dominant role in their affairs.

This fear is fed by a third suspicion—that the United States is too often in league with the forces of "imperialism and neocolonialism." What the Egyptians mean by this is

not (despite the paragraph above) that America will deliberately seek to create a Middle East empire. It is that we are damned by our association with the British and the "reactionary" Arab regimes. As to Britain, many Arabs believe that the present remnants of its historic position in the Middle East are supported by the United States. While at the time of the Suez invasion in 1956 the United States joined in condemning (and thus terminating) the Anglo-French invasion, within a few days we froze Egyptian assets in America, refused to sell food and drugs to Egypt, and ended the CARE program. Obviously, it is argued, America was prepared to support Britain as far as it dared.

This identification with "imperialism" is given more substance by our interests in and association with Arab regimes which the Egyptian considers "reactionary." By this he means the monarchies of the area and their governments which he claims do not represent popular consent or the interests of the people. The Egyptian argument is that these regimes are based upon an economic and political elite who keep power against the best interests of the common masses by cooperating with the foreign power having a stake in the country. He believes that the very character of the regimes in Jordan, Saudi Arabia, Iran and Libya (to name the current lot) drive them into subservience to Western, therefore American, power. This is the "neocolonialism" against which the non-aligned world so frequently agitates as a threat to its untrammelled independence.

These three causes for distrust are brought to a focus in the problem that most continuously and deeply besets our relations with the Arab world—the question of Israel. There are many aspects of this tangled affair, but as regards American foreign policy the heart of the matter is that the Egyptian (and most of his fellow Arabs) believes that Israel exercises a veto power on American policy toward the Arab world. Whatever understanding of the realities of Arab life there may be in American circles, and however logically American interests can be served by at least an even-handed policy toward the Arabs, the Egyptian is convinced that when the cards are down Israel and its supporters can force the United States to make their interests paramount. Thus the Egyptian believes that no balanced American policy toward the Arab world can be permanent. Sooner or later it will run counter to Israeli interests, and when that happens, the U.S. Government is powerless to hold to its course.

So runs the Egyptian indictment. But Americans have equally deep suspicions of the United Arab Republic. Most basic is the conviction that Egypt and its President are compulsive meddlers in the affairs of their neighbors. Both openly and secretly they stir up strife, support dissident movements and seek the overthrow of regimes of which they disapprove. Even Egyptians recognize this and express themselves in one of Cairo's many jokes about the regime. According to the story, when President Nasser went to Algeria last spring, he took with him a number of movie films, one of his favorite forms of relaxation. Among these was "Mutiny on the *Bounty*." After seeing the picture, the President sent a cable to the Foreign Office saying, "Contact the mutineers on the *Bounty* immediately. Tell them we support their cause and any attack on them will be considered an attack on the United Arab Republic."

During the past 2 years there have been five instances of United Arab Republic meddling which particularly disturbed Americans. The first was Egypt's support for the coup d'etat which overthrew the Imam of Yemen. What began as modest help to Republican forces against the Royalists ended with full-scale military occupation of the country. Egypt eventually had nearly 40,000

troops in the Yemen. A second instance was the dispatch of United Arab Republic arms and technicians in support of Algeria in its border dispute with Morocco—and this at a time when Cuba was also getting into the act.

The third incident was the supply of small arms to the Government of Cyprus during the current civil war on that unfortunate island. While any government has the legal right to sell arms to another government, it seemed that Greek Cypriots had ample quantities of weapons on hand, both for their regular and irregular forces. What reason had the United Arab Republic to contribute to an already overabundant supply except the desire to fan the fires of conflict between Greek and Turkish Cypriots? And why did Nasser welcome Makarios so warmly to Cairo this summer, unless the United Arab Republic is more interested in perpetuating than in calming the Cyprus disorders?

The fourth instance is perhaps the most serious. In February 1964, President Nasser, in a public speech heard throughout the Arab world, called for the ending of British and American base rights in Libya. The response was an immediate public furor in Libya which came dangerously near to ending in the abdication of the king. Once again Egypt was interfering in the affairs of its neighbors, and in a form directly challenging an American interest.

Finally, there is the current Egyptian campaign against the South Arabian Federation and its British sponsors. Here is an area remote from the United Arab Republic, without visible impact on Egyptian security interests. Whether the Egyptian offensive is a diversionary ploy in the Yemen affair or a more general stirring up of trouble for trouble's sake, it only confirms American opinion that the United Arab Republic is always minding someone else's business.

This continuous "keeping the pot boiling" by Egypt causes serious problems for the United States. Not only does it have a number of specific interests in the countries involved, but its policy has been to promote tranquillity among Middle Eastern states. We believe that disputes, small in themselves, run the risk of inviting outside interference and so spreading into a major conflict. We do not want to see our friends in Arab countries threatened by Egyptian meddling and we do not intend to have world peace shattered by small-nation disputes.

The second set of American complaints against the United Arab Republic is related to the first. Egypt's ability to involve itself in affairs throughout the area is based in part on its military and propaganda strength, and this deflects money from urgently needed economic development. While not massive as modern armies go (about 150,000 men for a population of 28 million), Egyptian forces are the biggest and best equipped in the Arab world. Their weapons and aircraft are by far the most sophisticated. Egyptian secret activities abroad in the form of subsidies, weapon supply, and agents are large and continuous. These efforts are supported and extended by propaganda including subsidies to newspapers, writers, conferences, foreign students studying in the United Arab Republic, and an extensive multilingual radio program.

All this is expensive. It may be argued that all nations incur such expenses; they are accepted in our chaotic modern world as a necessary part of "national security" which costs us all so much. But the point for Egypt is that it cannot afford the role of a dominant or dominating power in the area and at the same time win its internal fight against ignorance, poverty and backwardness. Remarkable improvements have been made in Egyptian life under Nasser's regime, but it is still touch and go as to whether the Egyptian economy can permanently bear the burden. Why does the United Arab Republic

insist on incurring a high bill for activities abroad when at least some of this money is so desperately needed at home?

A third general cause for American suspicion toward Egypt is the continuing concentration of political power in personal hands. This is what the American means when he speaks of "dictatorship"—not so much a theory of government (as Fascism or Nazism) as a practical situation in which the fate of society and individuals is determined by one man or a small group of men upon whom the citizenry has no form of restraint.

It was to be expected that in the early days of the revolution, Colonel Nasser and his associates should become the de facto center of power in the country. But if a revolution is to be anything more than a coup d'etat, it must eventually broaden its base, diffuse its power and build a rule of law. None of these things appears to have happened yet in Egypt. Laws are promulgated by Presidential decree, there is no provision for a loyal opposition, and expressions of criticism of government policies are only possible within the very narrow limits set by the Government itself. The press is firmly controlled. At times private citizens are under sharp surveillance (as during the 1962 French spy trials) and guilt by association plays a large role.

All this does not add up to a police state in the full pattern so familiar in Communist countries. But it does have a profound effect on society, generating an atmosphere of unpredictability and curtailed liberty. Insofar as the American sees world issues as involving the principles of freedom and responsibility, he is suspicious of the character of the Egyptian regime and the direction it has thus far been traveling.

This suspicion is related to another American question about the United Arab Republic, namely its relation to the Communist world. The more extreme statements that Nasser is at least a crypto-Communist and that Egypt is in fact, if not in desire, a Communist satellite can be dismissed as uninformed and wishful thinking. But whatever its intentions, the United Arab Republic, as Americans see it, has put itself dangerously in fee to the Soviet system. The Egyptian Army is equipped from top to toe with Soviet weapons. This makes the nation entirely dependent upon Soviet good will for military spare parts and replacements. In fact, the Soviet monopoly on the Egyptian regime's chief instrument of power—its military establishment—gives the Russians an absolute veto on certain Egyptian policies if they care to use it. Whatever the United Arab Republic's dedication to independence may be, its freedom of action in relation to the Soviets is more sharply limited than it is in relation to the free world.

Added to this is the belief that Soviet and United Arab Republic policies in the Middle East too often coincide. A major Soviet objective has been to dispossess the Western powers of influence in the area, thus opening the way for Soviet action. The United Arab Republic would appear to serve this through its attack on the British position, foreign bases (which are all Western) and nonrevolutionary Arab States with which the West has close relations. Thus, while Egypt does not intend to be a Soviet satellite, its own activities sometimes aid and abet Soviet interests and cause problems for the United States.

Finally, there is Israel. Depending on the knowledge and emotional commitment of the American, his attitude ranges from seeing in Nasser the dragon who will devour Israel as soon as he is strong enough, to the more sober recognition that the United Arab Republic's continued hostility to Israel is the keystone of the Arab attitude which refuses to consider even a remote possibility of peace discussions. This concerns many

Americans who are in no sense Israeli protagonists. Insofar as the Arab-Israeli dispute is a constant source of tension and conflict, its lack of solution is a constant threat to tranquility, progress, and stability in the Middle East. Many Americans want it settled, not because they favor Israel or the Arabs, but because they are thoroughly weary of alarms and excursions which periodically set the world's teeth on edge. If the United Arab Republic would exercise its leadership in the Arab world for a gradual rapprochement with Israel, everyone would breathe easier.

Accusation and counteraccusation—how much of it is strictly true? Only a detailed study of each issue would answer this, and then it would be seen that there is confusion as to facts and highly questionable judgments in the interpretation of them. But one thing is clear, when all the mythology has been extracted from the mutual causes for suspicion, a hard core of fact remains. Egypt has sound reasons for mistrusting the United States, and the United States cannot help but mistrust it in return. The crisis in confidence is real, not artificial, and it is the chief factor which must be taken into account by both countries if they desire to continue reasonably cordial relations to their mutual benefit.

Can confidence be restored? Given the causes for suspicion recounted above, it may be argued that this is impossible; the gulf is too wide and has been deepened over too many years to be bridged now. This is certainly true for the immediate future. Both parties need to understand and admit that the restoration of confidence is a slow business and that no sudden change in foreign policies will bring it about immediately. For one thing, national as well as personal characteristics are hard to change. Egypt is a revolutionary society and nothing the United States can do will alter that fact. All the problems of dealing with its ebullient and frequently embarrassing activities will continue and must be recognized as part of the given situation. On its part, the United States will not change its character as a leader of the free world with interests that frequently run counter to Egyptian desires. No matter what Egypt thinks or does, America will not place its own and its partners' security in jeopardy by turning a blind eye on any Egyptian activity which causes tumult in the Near East or appears to strengthen the Soviet position.

This is to say that both countries will get along better only if each is more realistic about its capabilities of easily and quickly influencing the other's course of action. Americans are prone to think that they can play God in Near Eastern (and other) affairs, shoring up or bringing down regimes, or by threats and economic pressure forcing the United Arab Republic Government to take actions which it judges to be against its basic national interests. And Egyptians equally exaggerate their limited ability to put pressure on the United States through propaganda, appeals to revolutionary groups in other countries, or agitation against American positions such as Wheelus airbase and the petroleum interests at the head of the Persian Gulf. Each country can damage the other, but neither can force a basic change in policy unless it is prepared to resort to overt action—and in this the United States is in the stronger position.

If this fact is accepted, it means that differences and clashes of interest between the United States and Egypt will continue for some time. The problem is not to wipe these out (which is impossible) but to curtail and contain their power to threaten a reasonable relationship between the two countries. For this both sides must be prepared to take some positive steps. For the Egyptians, there must be a greater appreciation that the public image they create in the American

mind largely determines what it is possible for the U.S. Government to do. The United States is a democracy, which Egyptians do not fully understand. Neither the Secretary of State nor the President can sustain a policy toward Egypt (even when it is in the best interests of the United States) without some Egyptian help in creating a climate of favorable public opinion. When this climate is unfavorable, it is not because (as alleged by Egyptians) the American press is controlled by pro-Israel interests or American Senators who are captives of the Jewish vote. It is because of what the Egyptians themselves do. They can now do several things which will help their position.

One is to display more dedication to carrying out their word. Failure to make even token troop withdrawals under the Yemen disengagement agreement has seriously shaken American faith in President Nasser's bona fides. Actions taken against foreign companies in Egypt despite earlier agreements and promises have the same effect. In general, Egypt must work to correct the impression of undependability which its actions have generated.

Egypt can also affect the American attitude by emphasizing accomplishments rather than propaganda as its implement of influence in the Arab world. The sound development of the Valley of the Nile economy with resulting success in raising living standards will do much more to win Egypt a good reputation in the Middle East and abroad than strident and vicious radio broadcasts. The real measure of the Egyptian revolution's place in history will not be the extent to which it can outdo other Arabs in invective, but the degree to which it can stand upon its actual accomplishments of a better society. The Egyptian image as a responsible Arab world power has been badly damaged by its unceasing and raucous broadcasts.

Again the American attitude will be affected by the efficiency with which the Egyptian social and economic plans are carried forward. Great changes for good have taken place in Egypt, but great wastage of human and economic resources has also taken place in the process. American economic assistance has been large; but it is difficult to make the case for its continuance unless the Egyptian developmental process is tightened and foreign adventures curtailed in the interest of internal development. Economic conditions in Egypt are not as bad as many foreign observers would like to believe, but they are considerably worse than the Egyptian official admits. If the American is to be induced to continue helping in the remaking of the Egyptian system, he must be given more confidence in the process.

Then there is the difficult matter of Israel, which creates a continuing and most exacerbating strain in United Arab Republic-United States relations. Americans cannot expect Egypt to change its basic attitudes on this, any more than France can expect the United States to change its attitude toward Red China. But there are several things Egypt can do to ease the situation and thus create confidence in America, particularly in non-Zionist circles. One is to let its actions speak rather than its words. The Egyptian policy toward Israel over the past few years has, in fact, been encouragingly moderate. Nasser's public eschewal of aggressive military action as an answer to the current Israeli utilization of Jordan waters is a case in point. The trouble is that Presidential speeches often outrun Presidential policies. The Israel dispute is unnecessarily dragged in on every occasion and vague verbal attacks on Israel are taken at their face value in Congress and by the American public.

Even more important would be some steps by the United Arab Republic toward alleviating the arms race with Israel. It is the American conviction that this can be done

without imperiling the basic security of the United Arab Republic. Acceptance of international safeguards in the development of atomic power and some willingness to consider means by which the arms level can be frozen at its present position would create a very favorable world reaction. Even if Israel did not respond, or respond fully, Egyptian leadership in this would go far to encourage the great mass of Americans both in and out of government who want only to see peace in the Middle East.

But the task of creating confidence is not Egypt's alone; the United States must also be prepared to make some changes. The first is a greater consistency of approach. American foreign policy toward Egypt has been so erratic largely because Americans—like Egyptians—react rather than act. They do not recognize that it is possible for two countries to oppose each other on specific issues while maintaining a continuing and mutually profitable relation. It is too often an "all or nothing" policy. Either American wheat buys Egyptian compliance to an American viewpoint, or there will be no American wheat. This assumes that the object of American aid is to "bring Egypt to heel," and that when this fails the only alternative is pressure totally to stop the aid program. This seldom works, and particularly it does not work with President Nasser. If the United States desires to protect such national interests as involve the United Arab Republic, it must be prepared steadily and quietly to pursue a policy that does not fluctuate like the stockmarket with every political crisis. American policy must be aimed at maintaining a relationship with Egypt, not on seeking pretexts to sever it.

This means that the United States must be more clear sighted in defining for itself and the United Arab Republic what its vital interests are. There is a confusion in the American mind—even among policymakers—between American interests and what Americans consider desirable. The latter is as broad as the moral values of the particular observer and includes a free press, the parliamentary system, private enterprise—or even the whole gamut of the American political system. Desirable as these may be to the American, they are not per se American interest, involving the essentials of national security. It is these latter which are the central concern of foreign policy and the American approach to the United Arab Republic must be made consistent with them.

It is as difficult for the United States to decrease suspicions generated by its policy toward Israel as it is for the United Arab Republic in the same situation. But the attempt must be made if American interests in the Arab world are not to suffer needlessly. The United States—like the United Arab Republic—has certain commitments in the Arab-Israeli situation from which it will not retreat. These include recognition of Israel as a sovereign and continuing member of the international community of nations and support for and collaboration with the United Nations in dealing with questions arising from the Arab-Israeli dispute.

Arabs need to understand and respect these commitments, as Americans must do. It needs to be made clear both in Congress and in sections of the general public that the American commitment to Israel is limited. Our commitments are not based on the assumption that in every and all circumstances we will come to Israel's aid. Nor is Israel (or any other Middle East state) the chosen instrument of the United States in its policy toward the area. The basic consideration must always be what serves American interests in the Middle East. And this must be so regardless of its effect in helping or hurting either Israel or the United Arab Republic.

This principle is understood in policymaking circles in Washington and, in gen-

eral, action accords with it. The difficulty lies in the sensitive domestic political situation. Often it is felt that Israel and her protagonists must be placated by public statements, even though these do not herald a shift in American policy. It is too much to expect that all politicians will resist the temptation to drag Israel into their election campaigns as a vote-catching device, but at least responsible Government spokesmen can take more care as to the place and content of their speeches. It was unfortunate that President Johnson's first policy statement on the Middle East was made before an organization identified with Israel, just as it would have been equally unfortunate if it had been made to a pro-Arab group. It would also help if American policy decisions involving Israel could be kept out of election campaigns, thus underscoring their character as considered moves based upon American national interest and not merely election gestures.

Difficult tasks are evidently involved for both parties. Many will say, "Why bother to attempt them, when the differences between the two countries are so continuous and exasperating?" The answer is that both Egypt and the United States need each other; their realistic national interests demand reasonably cooperative relations. This is why, despite the strains and vagaries of policy during the past decade, there has never been an irrevocable rupture. In each period of bad relations, as the point of no return approached, both parties paused, took a new tack and tried to repair the breach. In the aftermath of the Soviet arms deal the United States did not succeed in isolating Egypt and possibly bringing about its downfall; and Egypt, despite strenuous efforts during the same period, did not permanently hurt American interests in the Arab world. Both found their capabilities more limited than they thought and their mutual interests more powerful than they had admitted. They therefore gradually returned to a policy of fostering better relations.

It is these mutual interests which form the basis of an enduring relation between the two countries. Despite suspicions, clashes, and differences in policy, the United States and the United Arab Republic have concerns in common on which a reasonable cooperation can be built. Egypt wants to develop in independence, without becoming either a Western or a Soviet satellite. Similarly the United States, now increasingly recognizing the inevitability (and often the utility) of the nonaligned position of many nations, is concerned to see Egypt independent. Egypt wants a better and more stable social system, with a rise in living standards for the masses of the Nile Valley. Here again American and Egyptian interests coincide; a stable Egypt is very much desired by the United States, for a major catastrophe there would have repercussions throughout the entire Arab world. To improve its economic situation, Egypt needs continuing ties with the West; even if the Soviet connection were to be increased vastly, the Soviet bloc cannot do what needs to be done for the Egyptian economy. And all of Egypt's foreign cultural, intellectual, and technical traditions are of the Western World. With them the Egyptian feels at home. To make this Western connection secure in both its economic and cultural aspects, Egypt needs good relations with the United States.

So long as the United States has vital interests in Arab lands and the United Arab Republic has a role of influence and leadership, the two countries cannot escape doing business with each other. The question is whether they can be sufficiently mature, clear sighted, and patient to work out gradually a consistent and mutually profitable relationship.

Mr. TYDINGS. Mr. President, I rise to explain my vote on House Joint Resolution 234, making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture.

A supplemental appropriation bill is normally a routine measure, requiring no explanation. This particular resolution would appropriate funds to carry out the food-for-peace program under Public Law 480. I support the program of providing developing countries with our surplus farm commodities and would, under normal circumstances, vote in favor of this measure without a second thought.

I have serious second thoughts about this particular measure, however, because one of the countries which would receive assistance under the funds to be appropriated is the United Arab Republic.

If this were a simple question of whether to continue aid to the United Arab Republic, I would vote to end such aid. It is time that this Government, in no uncertain terms, told other nations of this world that we will no longer give assistance to governments which are bent on aggression.

The United Arab Republic has repeatedly threatened to annihilate Israel. It is now engaged in threats aimed at the United States. How can such a country be considered peaceful?

The American people want peace—in the Middle East and throughout the world. But there is no peace in the Middle East and, indeed, there will not be because of the blustering warlike threats of Nasser* and his Arab League associates who, fortified in the main with Soviet weaponry, have arrogantly proclaimed to the world that when they feel ready they will annihilate Israel. If Israel is annihilated, who will be next?

Despite serious misgivings, Mr. President, I intend to vote in favor of the pending resolution.

The resolution embodies a substantial compromise between the action of the House of Representatives and the wishes of the President. The House voted to eliminate any further shipments of surplus commodities to the United Arab Republic. The President desired a free hand.

The compromise we have before us would allow funds to be used to finance shipments to the United Arab Republic only if the President found it to be in the national interest, and only under the agreement of October 8, 1962, between the United States and the United Arab Republic. That agreement terminates on June 30, 1965, so we are only authorizing further shipments for less than 5 months.

More important is the question at issue of the powers of the President of the United States. The power of the Executive to carry on the foreign policy of the country was of such import that our Founding Fathers clearly provided for it in the Constitution. At stake here is the flexibility and viability of the office of the President of the United States,

the very essence of the execution of the foreign policy of our country.

I have, along with my colleagues, been assured that a complete review of our aid to the United Arab Republic is being undertaken within the State Department. I have full confidence that the Secretary of State, who pleaded so eloquently before the Members of this body for the continuation of aid to complete the 3-year agreement, will determine, after the utmost scrutiny, whether the exportation of these agricultural commodities is in the national interest.

Mr. President, it is with these reassurances, and in the light of the devastating nature of the alternative, that I shall vote for the resolution.

Mr. KENNEDY of New York. Mr. President, the issue today is not whether we approve of Mr. Nasser and the reprehensible acts that have occurred, but whether congressional action cutting off food-for-peace aid to Egypt advances our basic objective to preserve peace in the Middle East and protects the security and freedom of Israel.

President Johnson believes that our policy of pursuing these goals could be furthered by not tying the administration's hands in this matter at this time. He has requested support from the Senate on this, his first foreign-policy test of the session. I believe that he deserves that support.

Furthermore, I have been impressed by the fact that members of the Appropriations Committee and the Foreign Affairs Committee have changed their opinion after receiving classified information about what can be accomplished by supporting President Johnson on this issue.

Therefore, I shall vote today to support the President—not to express my feelings toward Mr. Nasser—and I do so firmly believing it to be in the interest of the United States and in the interest of furthering our objective of preserving peace in the Middle East and preventing aggression against Israel.

Mr. KENNEDY of Massachusetts. Mr. President, my position on the question of food-for-peace aid to the United Arab Republic has nothing to do with my approval or disapproval of the acts of that government, but stems instead from my strong belief that maintaining the President's discretion on the matter is the path best calculated to keep the peace in the Middle East and to assure the independence and territorial integrity of Israel.

The recent actions of Mr. Nasser in relation to this country have been insulting, and in relation to problems in Yemen, Aden, and the Congo have partaken of the kind of aggressive interference in the internal affairs of other nations that is inconsistent with fundamental American principles. Nevertheless, I feel just as strongly that President Johnson is right in asking that the administration's hands not be tied in this matter, and I am confident that leaving him free to act will further our primary purpose of preventing hostilities

in the Middle East and protecting Israeli Freedom.

Mr. MILLER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is an agreeing to the amendment of the Senator from Iowa [Mr. MILLER], as modified, to the committee amendment. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. METCALF], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Oklahoma [Mr. MONRONEY] is absent because of illness.

I further announce that the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from West Virginia [Mr. BYRD] are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. MORTON], the Senator from Nebraska [Mr. CURTIS], and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Utah would vote "yea," and the Senator from California would vote "nay."

On this vote the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 7, nays 75, as follows:

[No. 16 Leg.]

YEAS—7

Dodd	Miller	Prouty
Hickenlooper	Pearson	Simpson
Hruska		

NAYS—75

Alken	Church	Hart
Allott	Clark	Hayden
Anderson	Cooper	Hill
Bartlett	Cotton	Holland
Bass	Dirksen	Inouye
Bayh	Dominick	Jackson
Bible	Douglas	Javits
Boggs	Eastland	Jordan, N.C.
Brewster	Ellender	Jordan, Idaho
Burdick	Ervin	Kennedy, Mass.
Byrd, Va.	Fannin	Kennedy, N.Y.
Cannon	Fong	Lausche
Carlson	Gore	Long, Mo.
Case	Harris	Long, La.

Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
McNamara
Mondale
Montoya
Morse
Mundt

Murphy
Nelson
Neuberger
Pastore
Pell
Proxmire
Randolph
Robertson
Saltonstall
Smathers
Smith

Sparkman
Stennis
Symington
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—18

Bennett
Byrd, W. Va.
Curtis
Fulbright
Gruening
Hartke

Johnston
Kuchel
McCarthy
Metcalfe
Monroney
Morton

Moss
Muskie
Ribicoff
Russell
Scott
Talmadge

So Mr. MILLER's amendment, as modified, to the committee amendment, was rejected.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the amendment to the amendment was rejected.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I have always supported the idea of a foreign aid program. I hope to be able in good conscience to continue my support so long as it serves our national interest and the interests of freedom in the world. Furthermore, I recognize the necessity of preserving executive flexibility in administering a program that involves such important problems of foreign policy and national security in a world of rapidly changing events.

Nevertheless, the increasing evidence of inefficiency, bad planning, contradictory policies and plain bureaucratic blundering in administration of the aid program causes me to make my protest here and now. Our failure to effectively and properly use our aid program to expand private business sales abroad purely because of lack of policy, coordination and planning urgently demands correction now—not next year.

I hope to see a substantial change in this program, a reconciliation of conflicting policies and programs, and a shakeup in the agencies administering it.

My only opportunity to effectively express my dissatisfaction is to cast a negative vote when an issue is before us. I am hopeful that an increasing expression of criticism of the program by its supporters will compel a substantial reevaluation of the program as well as a reorganization and streamlining of the agencies and methods of administering it.

Mr. HOLLAND. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, after line 3, to strike out:

Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act.

And to insert in lieu thereof the following:

Provided, That no part of this appropriation shall be used during the fiscal year

1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. ARKEN voted in the affirmative.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Parliamentary inquiries are not in order.

The legislative clerk resumed the call of the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote, I have a pair with the Senator from Connecticut [Mr. RIBICOFF]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withdraw my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. METCALF], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Oklahoma [Mr. MONRONEY] is absent because of illness.

I further announce that the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Utah [Mr. MOSS], and the Senator from Maine [Mr. MUSKIE] are necessarily absent.

I further announce that, if present and voting, the Senator from Georgia [Mr. TALMADGE], the Senator from Indiana [Mr. HARTKE], and the Senator from Alaska [Mr. GRUENING] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. MORTON], the Senator from Nebraska [Mr. CURTIS], and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. CURTIS], the Senator from California [Mr. KUCHEL], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

The result was announced—yeas 44, nays 38, as follows:

[No. 17 Leg.]

YEAS—44

Allott	Eastland	Magnuson
Bartlett	Gore	McGee
Bass	Hart	McGovern
Bayh	Hayden	McNamara
Bible	Hill	Mondale
Boggs	Holland	Mundt
Brewster	Inouye	Neuberger
Burdick	Jordan, N.C.	Pastore
Byrd, W. Va.	Kennedy, Mass.	Pell
Church	Kennedy, N.Y.	Randolph
Clark	Long, Mo.	Saltonstall
Cooper	Long, La.	Smathers
Dirksen		

Sparkman
Stennis
Symington

Tydings
Williams, N.J.
Yarborough

Young, N. Dak.
Young, Ohio

NAYS—38

Aiken
Anderson
Boggs
Byrd, Va.
Cannon
Carlson
Case
Cotton
Dodd
Dominick
Douglas
Ellender
Ervin

Fannin
Fong
Harris
Hickenlooper
Hruska
Jackson
Javits
Jordan, Idaho
Lausche
McClellan
McIntyre
Miller
Montoya

Morse
Murphy
Nelson
Pearson
Prouty
Proxmire
Robertson
Simpson
Smith
Thurmond
Tower
Williams, Del.

NOT VOTING—18

Bennett
Curtis
Fulbright
Gruening
Hartke
Johnston

Kuchel
Mansfield
McCarthy
Metcalf
Monroney
Morton

Moss
Muskie
Ribicoff
Russell
Scott
Talmadge

So the committee amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 21

Mr. MUNDT. Mr. President, I call up my amendment No. 21 and ask that it be read.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The amendment will be stated.

The legislative clerk read as follows:

On page 3, at the end of line 20, insert the following new section:

"VETERANS' ADMINISTRATION

"No funds heretofore appropriated to the Veterans' Administration shall be utilized for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

Mr. MUNDT. Mr. President, if I may have the attention of the Senate, I think I can briefly explain the amendment. It is not complicated; it is exactly on four squares with what we have already done today by approving committee action on behalf of agricultural experiment stations. My amendment has almost the identical language as that offered by the committee in relation to the proposed closure of a group of agriculture experiment stations primarily designed to cure diseases of cattle, hogs, poultry, swine, and rabbits.

If it is so important that such action on the matter of the research stations be deferred until Congress has had a chance to examine into it and I emphatically agree that it is, we have the same language in this amendment to provide for the same careful consideration for veterans. The amendment is offered on behalf of the distinguished Senator from New Mexico [Mr. ANDERSON] and myself. I want to repeat that what we propose to do for the veterans is what has been done today with respect to agriculture experiment stations. The experiment station action was adopted unanimously by our Senate Committee on Appropri-

ations following a motion made by Senator STENNIS, of Mississippi, and seconded by the senior Senator of South Dakota. It was a wise and proper action and we should now take similar action to protect our veterans hospitals and service facilities.

The Mundt-Anderson amendment would do two things. It would delay the closing orders from being implemented until at least the next regular appropriation bill comes before us. It would provide us with an appropriate forum, namely, the Committee on Appropriations, to hold hearings, to call witnesses, to examine the facts, and to determine what, if any, economies actually can be effectuated, should the administration renew its closure proposals.

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. I join the Senator from South Dakota in his brief explanation. This is one way to cope with a problem on which no consultation was had with Senators from the respective States or the Representatives from the respective districts. I sincerely hope the Senate will vote in the affirmative on the proposal offered by the Senator from South Dakota and the Senator from New Mexico [Mr. ANDERSON].

Mr. MUNDT. I appreciate the statement of the Senator from Montana. This situation evolved out of a colloquy which the senior Senator from Montana and I had in the Chamber yesterday, when we were trying to divorce this issue from the question of the confirmation of the nomination of Mr. Driver.

Mr. HOLLAND. Mr. President, under the practice of the Committee on Appropriations, prescribed by resolution adopted in 1931 and continued in force since that time, it becomes my duty to raise the point of order that this amendment, which relates to no matter in the joint resolution, but instead refers to appropriations heretofore made in other bills, is legislation and is, therefore, not subject to being considered on the joint resolution.

Mr. MUNDT. The Senator from South Dakota, of course, concedes the point of order. I said earlier that we were writing legislation in the joint resolution with respect to livestock. We are likewise proposing similar action in connection with our veterans' hospitals and service facilities. I filed a motion yesterday, recognizing that a point of order might be raised, so we can set aside the rules of the Senate and take this salutary action on the Mundt-Anderson proposal.

Mr. President, I ask that there be a vote on the proposed legislation, notwithstanding the point of order.

The PRESIDING OFFICER. The Chair has not yet ruled on the point of order.

Mr. MUNDT. I shall await the ruling of the Chair.

The PRESIDING OFFICER. The Chair now sustains the point of order.

Mr. MUNDT. I appeal from the ruling, and therefore I call for a vote. I have no desire to detain the Senate. If there could be a standing vote, to

determine whether two-thirds of the Senate favor overruling the decision of the Chair, that would be satisfactory. Otherwise I can ask for a rollcall as I mean to be sure we have an opportunity to vote on this amendment.

Mr. HOLLAND. Mr. President, I am perfectly willing to have a standing vote. I invite attention to the fact that this proposal is not like the previously adopted amendment. That amendment was approved by the committee. This amendment was not submitted to nor consider by our committee. The other amendment was directed by the committee to be brought up, with instructions to file the appropriate notices given to the chairman. That is all I shall say about it. I shall not address myself to the merits of the amendment except to say that there is little similarity between it and the amendment proposed by the committee.

Mr. DIRKSEN. Mr. President, I appeal from the ruling of the Chair.

Mr. MUNDT. No, it is not necessary. I have filed notice to suspend the rules of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion to suspend the rule for the purpose of having the Senate consider the amendment.

Mr. DIRKSEN. Mr. President, on this question, I ask for a division.

On a division, the motion was agreed to.

Mr. MUNDT. Mr. President, we need not detain the Senate much longer, because the same sentiment that prevailed earlier on a question that required a two-thirds majority will prevail now, I am sure, on our proposed rider which now requires only a simple majority.

The country has about 22 million veterans at the present time. The closing order involves some important national policies concerning the veterans of America.

As the majority leader has pointed out, congressional committees certainly have a right to consider what is proposed. All I ask is that Congress be heard and the closure proposals delayed until such time as that has been done and we have before us the regular appropriation bill pertaining to the Veterans' Administration.

So far as I am concerned, I now ask for a vote on the amendment, unless other Senators desire to discuss the proposal.

Mr. JAVITS. Mr. President, there has been much discussion of the subject on the floor of the Senate about what we could do about the closings. The Senator from South Dakota has shown us exactly what we should do. It is an honor to support his amendment.

Mr. MUNDT. I thank the Senator from New York.

Mr. PROUTY. Mr. President, the Mundt-Anderson amendment might well be termed the antipoverty and antihardship amendment, for it will have the effect of alleviating both these two evils.

Only hours ago the Senate approved the Appalachia bill which is designed to deal with some of the problems of the Nation's poor. The Appalachia measure has been surrounded by an aura of pub-

licity calculated to show the compassion of the Administration for the underprivileged. It would serve us well to ascertain whether that compassion is fact or fiction.

Compassion is not a one-time thing that disintegrates and vanishes when the propaganda bugles have finished blaring. Rather it is a quality of sympathy and understanding that pervades and permeates every action of any consequence.

I leave it to the Senate, then and ask, Does the administration have compassion when it initiates a plan which will for the first time in recent history deprive eight States of VA regional offices which serve disabled and in many cases impoverished veterans?

Does the administration show concern for the poor when, for a show of false economy, it takes out of a small community such as White River Junction, Vt., a payroll approximating \$300,000 dollars a year and gives the displaced employees only the vague guarantee that somewhere in the United States there may be a job for them—admittedly far removed from home, admittedly at reduced levels with all the hardships that such changes would entail.

And what about the members of the families of displaced VA employees? Many of these people have jobs in private industry to supplement their husband's or father's income. Will they, too, get jobs when the VA employee is forced to move to a location not of his own choice?

I think Senators know the answer as well as I do.

What kind of games are we playing with Federal employees? Have they now become instruments that we can shift about at will in order to add to our list of depressed areas?

If you do not think that the proposed closing of 17 regional offices, 11 hospitals, and 4 domiciliaries operated by the Veterans' Administration is going to cause great unemployment and hardships, then you are not willing to look at facts as they really are.

This, then, is the effect of the black thirteenth—the January 13th order of the Acting Administrator of Veterans Affairs.

In vaudeville days, Al Jolson used to say "You Ain't Seen Nothing Yet." These words have a rather ominous ring today.

James F. O'Neil, former commander of the American Legion, said only a few days ago in Rutland, Vt., that what we are now witnessing is only the beginning, and I think he meant the beginning of the end of effective service to veterans of the Armed Forces of the United States.

Many of our older veterans have arteriosclerosis with chronic brain syndromes. Now they can go only a few miles away to White River Junction to put in an appearance in connection with their claims. These severely disabled veterans are met by Vermonters who take them to the proper offices and help to guide them around.

Under the "black 13th" order, these veterans with varying degrees of brain damage will have to go 250 miles to Boston. And who is going to meet them there, assuming that they are able to withstand the ardors of the journey?

Mr. President, how is any Vermont veteran, particularly an ailing one or an older one, going to be able to get down to Boston? There is no rail service from Vermont to the capital of Massachusetts. Air service is impossible a good share of the year because of weather and limited schedules, and from some communities in Vermont there is no direct bus service at all.

What a Great Society this Federal Government of ours is conjuring up for them.

The American Legion representative at White River Junction has reported to me that many Vermont veterans come into the regional office without funds for the return trip home. The Legion, he says, often tries to furnish the small sums needed to return these impoverished veterans to their home communities and this is true also, of the Veterans of Foreign Wars and the Disabled American Veterans.

But, he asks, would not the cost be prohibitive if a trip from Boston were involved? The Legion simply does not have the funds to handle the problem.

Hundreds of older veterans with heart conditions and the like, are sometimes able, with difficulty, to withstand a 30-, 40-, or even 100-mile trip to White River Junction. In the "black 13th" order of the Veterans' Administration Administrator, there is no provision made for these veterans who will soon have to make long wearisome trips, often unattended, to Boston.

I cannot speak with authority about the problems of veterans in other States, but I do know what is going to happen in Vermont if the "black 13th" order goes through.

Let us suppose that a Vermont veteran is seeking to appeal a case in which he is asking for a small increase in pension. Let us assume, also, that his appeal is justified and that the Boston office awards him the small increase. Would not the monetary value of the increase be more than eaten up for a whole year because of the cost of the veteran's hotel room in Boston, his transportation, meals, taxi fares, and so forth? And let it not go unnoticed that in many cases the veteran will have to pay someone to accompany him because he is not well enough to make the trip alone.

When I first received word of the bad news of the black 13th, it was alleged by the VA that the closing of the regional office at White River Junction would not create any real problems because 98 percent of the workload is handled by mail. This was a very impressive statement but I found that it did not bear scrutiny. It turns out that the Veterans' Administration is not really talking about what percentage of the problems is handled by mail, but, rather what percentage of total communications is handled by mail and the VA lumps into this figure, according to the manager of the regional office at White River Junction, all mail received by that office whether it be administrative in nature, mail for patients at the hospital, mail dealing with supply problems, and so forth.

Let me give Senators an idea of how misleading this actually is. There are now on the books at the VA office in

White River about 9,700 approved awards of disability or death benefits. Many of these awards have been made over a period of years and involved no new administrative work during the last year. Yet, despite this fact there were, during the last fiscal year, nearly 5,000 instances when veterans contacted the regional office at White River in person or by means other than mail.

Moreover, the central office of the Veterans' Administration in Washington informed me that veterans appeared in person only 20 or 30 times a year to make a formal or informal appearance before the adjudication board in White River. My office checked with Manager Flussi at White River and he told a member of my staff that there were between 200 and 300 personal appearances.

I am always willing to allow for a slight administrative error, but when an agency gives me statistics which are 1,000 percent or 1,500 percent wrong, then I think that the agency is trying to justify its actions without regard to ethics or equity.

At the present time when a veteran goes to White River Junction, Vt., if he has a clear-cut case which merits award, his American Legion representative can pull the case file immediately, set up a meeting before the adjudication board and the case is quickly handled. Once the regional office is removed from White River, the Legion, if it has power of attorney, will have to send to Boston for the case folder and the veteran will have to make several trips of considerable distance to get his claim settled.

Administrator Driver sent up to my office a Mr. Stratton, who is deputy benefits director. Stratton, when interrogated about the Administration's claims of economy resulting from the White River-Boston merger, informed us that there are about 12,000 square feet of office housing space at White River Junction and that if the merger goes through only about 4,000 square feet of space would be needed by the VA.

Later, when the VA was made to appear ridiculous, then and only then, its spokesman began to allege that much of the vacant space would ultimately be utilized.

I ask the Senate: Is it economy to abandon space in a low cost of living area such as White River Junction, Vt., in order to procure space in a high cost of living area such as Boston?

Mr. President, the VA cannot deny that only 7 or 8 years ago it spent several hundred thousands of dollars to construct an administration building in White River, and now it wishes to abandon a high percentage of the space in that building in order to bring about a move to Boston.

If this be a new version of administration economy, then Heaven save us when it becomes extravagant.

Seventeen regional offices, 11 hospitals, and 4 domiciliaries have been placed under the VA hatchet and one wonders whether it is really true in Jolson's words that we "ain't seen nothing yet."

It used to be a guiding principle that those who served their country in time of need would be served by that country in time of their own need. That prin-

ciple is now being given the heave-ho treatment.

With those who left their limbs and lives and hopes and dreams in the remote battlegrounds of the earth, we should never break faith.

To those who abandoned their jobs, their education, their security, in order that our liberties might remain safe, we have a solemn duty.

It is not a duty to close hospital doors, but rather to open them. It is not a duty to delay the handling of their just claims, but to expedite them. It is not a duty to injure, but instead to promote their welfare.

That is a duty I as one Senator mean to fulfill to the best of my ability.

Only a few short days ago I was told by a representative of the Veterans' Administration that no hospital can function well unless it gets to the 400 or 500 bed level.

Did he really mean to suggest that the hundreds of hospitals throughout this country with small bed capacities are performing useless services? Let him peddle this ridiculous theory to the thousands of citizens whose lives have been spared and who can walk and talk again because of the treatment they received at the small hospitals he so blatantly ridicules.

If gigantic hospitals are the one and the only type of installation worth while, why then did the present administration fail to say this when the Hill-Burton program was under consideration?

I will tell Senators why. It did not say so because it knew that it would be laughed down by every small community in this country. And it is saying so now only because it is desperate to find some justification for a drastic program of curtailment of service to veterans that was conceived in ignorance, born of misinformation, and which, with good fortune, will die because of the wisdom of Congress.

I urge the Senate to support the amendment.

Mr. YARBOROUGH. Mr. President, on January 13, 1965, the date when I was notified of the Veterans' Administration's decision to close 11 hospitals, 4 domiciliaries, and several regional offices, the machinery to phase out these facilities had already been set in motion. Of course, I had heard rumors to that effect, but I do not believe that a Senator should base his actions on rumor. Yet, in the hearings which have just been held before my Subcommittee on Veterans' Affairs, we were informed by Veterans' Administration officials that they felt it only fair to formally notify us of this action on January 13, because rumors were spreading.

This poses an interesting question, Mr. President: Just when would we have been notified, if rumors had not prompted the Veterans' Administration to tell us as late as January 13 of its action? We were not consulted beforehand; neither were veterans organizations consulted. Are the Senators of the United States, given the trust to see that the laws and mandates of Congress are followed, now relegated to a position of hearing by rumor about a star chamber

decision which we witness only when we finally see our Veterans' Administration hospitals being phased out of existence?

Mr. President, in light of the importance of medical care for the veterans of this Nation, a decision which could adversely affect them should not be arrived at lightly. Because of this, our Veterans' Affairs Subcommittee has just completed hearings during which at least 30 of my fellow Senators voiced suspicions about the wisdom of this decision. I understand that the House committee is planning to conduct similar hearings. Since our action on this matter was forced to be "after the fact," due to lack of notification and consultation, it will take time before we can reach conclusions on these closings.

Yet, the secrecy and rapidity of this transition has raised such a cloak of suspicion about the Veterans' Administration decision that something must be decided now, or else we shall again be considering such matters "after the fact." In light of this situation, Mr. President, I think it in the interests of the veterans and the general public that this action be held in abeyance until conclusions can be reached. If it is a sound program, it can justify itself at any time; if it is not sound, then much will be lost by having it completed before effective objections can be raised. For this reason, I am supporting the amendment proposed by the Senator from South Dakota [Mr. MUNDT].

Mr. KENNEDY of New York. Mr. President, I strongly support the amendment to prevent the Veterans' Administration from utilizing its present appropriation for the purpose of closing veterans' hospitals. The veterans of this country deserve the service which the veterans' hospitals provide them, and I am convinced that the VA's action in announcing the closings is inconsistent with that need. My examination of the facts concerning Sunmount, Bath, and Castle Point hospitals in New York has convinced me that these hospitals should remain open. The facts show that they are not obsolete, that they are not difficult to staff, and, most important, that they serve a definite need. The brief chance which I had to question the officials of the VA in the hearings of the Subcommittee on Veterans' Affairs demonstrated the need for the kind of full and free inquiry which the present amendment will give us time to undertake.

Mr. SIMPSON. Mr. President, I would like to stand in support of Senator MUNDT's amendment as it pertains to the Veterans' Administration facilities. It is my sincere belief that the whole story regarding the closing of Veterans' Administration facilities over the United States and particularly in my State of Wyoming has not been heard.

I want to emphasize my distress concerning the manner in which this matter was handled. A matter of this importance should warrant previous consultation with Members of Congress, the service organizations, and the veteran himself. I believe only shortsighted consideration of possible immediate savings dictated the orders to close. The

many other conditions of service to veterans and short- and long-range additional costs to other State and Federal agencies were ignored.

The statement announcing the action taken to close the Veterans' Administration facilities mentions economy as one of the prime reasons for the proposed move. It is stated there will be a net savings of some \$23,500,000 through this action. The relatively insignificant so-called savings of \$23,500,000 in the fiscal year 1966 at the expense of the many services in so many widely separated places will make no real contribution to the President's social program which is projected in billions of dollars annually.

I am particularly concerned because of the effect of the proposed action on the veterans of my State of Wyoming. The contemplated action of the Veterans' Administration would move the major function of the Cheyenne veterans regional office to Denver, Colo. I am informed that of the 34 present employees, approximately 20 will be involved in the move. The case load being handled by the Cheyenne Veterans Center has increased and not decreased. Therefore, it is inconceivable to me how less than half a staff could handle the work being done by a full staff. It cannot be done and give the service the veterans and their dependents so justly deserve and were promised.

During the hearings before the Subcommittee on Veterans' Affairs of the Senate Committee on Labor and Public Welfare, it was stated by officials of the Veterans' Administration that additional funds will be requested for new and additional facilities. I oppose the shifting and not the sifting of Government appropriated funds.

In his budget message submitted to the Congress, President Johnson states:

Our major emphasis in veterans programs should be concentrated on meeting fully our obligation to those who were disabled in the defense of the country and to their dependents and survivors.

I say "Amen" to this statement. However, since contrary action is contemplated by the Administration, in the words of one of the greatest statesmen of the 20th century, the late Sir Winston Churchill, I strongly urge the Members of this Senate, "to prevent them from putting the folly they speak of into action."

I fully support the amendment and urge my colleagues to do the same.

Mr. MCGOVERN. Mr. President, I congratulate my colleague from South Dakota [Mr. MUNDT] and the Senator from New Mexico [Mr. ANDERSON] on their amendment which would postpone action on the closing of Veterans' Administration facilities until Congress has had an opportunity to review the subject. The veterans and their representatives have a right to a full and careful hearing on this important matter. I hope that the Senate will adopt the amendment in the interest of my fellow veterans.

Mr. JAVITS. Mr. President, I would like to express my strong support of the Senator from South Dakota's amendment to restrain the unwise closing of Vet-

erans' Administration facilities. In New York, the effective hospitals at Sunmount, Bath, and Castle Point have been performing essential medical services for the veterans in the surrounding communities. Closing of these facilities, as well as consolidation of operational regional offices of the Veterans' Administration located in major cities in my State will impose an unjustified hardship on the veterans in New York. The hard facts forming the basis for this decision and others have not been developed. I believe it is absolutely necessary that the burden of proof for the closing of these important medical facilities and the resulting reduction in services be squarely met by the proponent, namely the Veterans' Administration. Until this full justification in the name of economy is set forth on the record and properly reviewed, these unwise closings should not be carried out.

The alleged savings set forth in the record of hearings by the Finance Committee on the nomination of Mr. Driver and on the subject of the closings by the Labor and Public Welfare Committee have not been explained in sufficient detail, and we should not accept these closings without receiving a further explanation of the reasons. I sent a telegram to VA Administrator Driver on the day he announced the closing of these facilities, asking for a justification for the plan to close then by June 30 of this year. I have still not seen a full and detailed justification. I urge the adoption of this amendment.

Mr. MUNDT. Mr. President, it seems to me that many Senators would be inconvenienced by having a voice vote this late in the evening instead of a yea-and-nay vote. Many Senators desire to leave soon.

I should like to have the assurance and understanding, however, that the conferees will consider such a voice vote as important a mandate to sustain the amendment if it is adopted by a strong voice vote as if it were actually adopted by a yea-and-nay vote.

Mr. HOLLAND. Mr. President, on this amendment, I ask for a division.

On a division, the amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MUNDT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 234) was read the third time, and passed.

Mr. HOLLAND. Mr. President, I move that the Senate reconsider the vote by which the joint resolution was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist on its amendments, and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. HILL, Mr. PASTORE, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. MORSE. Mr. President, I hope that Senators have noted how much business has been transacted today without the use of a unanimous-consent agreement. If there had been a unanimous-consent agreement, the talk in the cloakroom is to the effect that the Senate would have voted on the measure some time tomorrow afternoon.

I shall continue to object to unanimous-consent requests.

SPECIAL MILK PROGRAM

Mr. JAVITS. Mr. President, with further reference to the legislation we have just acted upon, as my colleagues know, New York State is the second largest producer of class I fluid milk in the country. I am, therefore, very much concerned over the reduction in funds in the administration's budget for the vital special milk program, funds for which are included in this bill. The 1966 budget request for this program is \$100 million, while the fiscal year 1965 appropriation was \$103 million. Senator HOLLAND, the chairman of the Agricultural Appropriations Subcommittee, the senior Senator from Wisconsin [Mr. PROXMIRE], along with many other interested Senators, have worked to insure that sufficient funds have been provided each year for this essential program. I want to assure the distinguished Senator from Florida and my colleague from Wisconsin that I shall continue to work just as hard as in the past to insure that necessary funds for the special milk program are included in this year's Department of Agriculture appropriation bill. The record of committee hearings on House Joint Resolution 234 reveals that the fiscal year 1965 estimate of realized losses for the special milk program is \$305 million. I would like to make it clear that any reduction in funds for this program would not only impose a penalty on low-income families, but might also end up in losses for the Government if purchases of surplus milk were necessary at 75 percent of parity.

I hope that the Appropriations Committee will do all possible to insure that sufficient funds for the special milk program are provided in the fiscal year 1966 agricultural appropriation bill.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, if I may have the attention of the Senate, I should like to query the majority leader as to the order of business.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, there will be minor items considered tomorrow.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in adjournment until 12 o'clock noon tomorrow. It is then our intention to go over from tomorrow until 12 o'clock noon on Monday, next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION OF LIST OF COSPONSORS OF S. 948

Mr. WILLIAMS of New Jersey. Mr. President, due to an inadvertence, the following distinguished Senators were omitted as cosponsors of S. 948 which I introduced yesterday: Senators YOUNG of Ohio, RANDOLPH, MONDALE, SCOTT, MCCARTHY, BURDICK, HART, KENNEDY of New York, DOUGLAS, RIBICOFF, MCGOVERN, NELSON, CASE, KUCHEL, GRUENING, PASTORE, and MORSE.

Mr. President, I ask unanimous consent that their names be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the will of the Senate?

TRUTH IN PACKAGING

Mr. HART. Mr. President, today I reintroduce legislation which has come to be labeled the truth-in-packaging bill. I do this on behalf of myself and Senators BARTLETT, DOUGLAS, LONG of Missouri, McNAMARA, METCALF, MONDALE, MUSKIE, and NEUBERGER, and ask that the bill be appropriately referred.

It seems superfluous to take time now to argue the pros and cons of this bill. These are stated eloquently in six volumes of hearings held on the general topic. And this is the third time the bill has been introduced so its intent and provisions are no strangers to my colleagues.

Since the first hearings on packaging and labeling practices were held by the Senate Antitrust and Monopoly Subcommittee in 1961, many changes have taken place in our supermarkets which some would credit as benefits brought about by the very existence of congressional interest. The changes are praiseworthy. But to those who would cite these improvements as evidence of the lack of need for enactment of the bill, I would cite in reply these facts:

First. Consumers who must fight the battle of the budget weekly in the supermarket are not convinced that the few improvements have come anywhere near correcting all the practices the bill is aimed at. Witness to this are the hundreds of letters I have received in recent weeks from every State in the Union—from economists, marketing professors, and from the lady known as the smartest shopper in the world, the American housewife.

Second. President Johnson still believes the bill is necessary—as witness his

Feb. 8, 1965

Stated that a National Center for Environmental Health Sciences is being planned as a focal point for health research in this field.

Stated that legislation is needed to provide the Departments of Agriculture and Interior authority for grants for research in environmental pollution control in their areas of responsibility, and that he has asked the Secretary of Interior to submit legislation to eliminate the ceiling on pesticide research.

Stated that he has directed the Chairman of the Council of Economic Advisers, with the appropriate departments, to study the use of economic incentives as a technique to stimulate pollution prevention and abatement, and to recommend actions or legislation, if needed.

Stated that he has instructed the Director of the Budget Bureau and the Director of the Office of Science and Technology to explore the adequacy of the present organization of pollution control and research activities.

Stated that he has asked the Director of the Office of Science and Technology and the Director of the Budget Bureau to recommend the best way in which the Federal government may direct efforts toward advancing our scientific understanding of natural plant and animal communities and their interaction with man and his activities.

Stated that he intended to call a White House Conference on Natural Beauty to meet in mid-May of this year, and expressed hope that this Conference will produce new ideas and approaches for enhancing the beauty of America, including the possibilities of a national tree planting program carried on by government at every level and by private groups and citizens.

Sens. Jackson, Kennedy (N. Y.), Anderson, Gruening, Byrd (W. Va.), Williams (N. J.), and Neuberger commended the President's message. pp. 2209-11, 225-6

2. WILDERNESS. Both Houses received the President's report on the national wilderness preservation system (H. Doc. 79). pp. 2044-5, 2209
3. REORGANIZATION. Received from the President a proposed bill "to further amend section 5 of the Reorganization Act of 1949", to Government Operations Committee. p. 2129
4. FARM PROGRAM. Sen. Miller stated that he viewed "with increasing concern the failure of our Nation's farmers to receive a fair share of the national net income," and suggested possible ways to aid in raising farm income. pp. 2223-5
5. COFFEE. Sen. Carlson criticized the decision of the Executive Board of the International Coffee Council to reduce coffee export quotas for 1964-65, and contended that the action would cause an increase in coffee prices in this country. p. 2158
6. CIVIL DEFENSE. Received from the Defense Department a report of the Office of Civil Defense. p. 2129
7. TARIFFS. Received the annual report of the U. S. Tariff Commission. p. 2130
8. ELECTRIFICATION. Both Houses received from GAO an audit report of the financial statements of the Tennessee Valley Authority. pp. 2130, 2123
Sen. Metcalf criticized the rates to consumers by private electric utilities and inserted several items on the matter. pp. 2168-80
9. TRANSPORTATION; COMMERCE. Received from the Interstate Commerce Commission several proposed bills to amend the Interstate Commerce Act; to Commerce Committee. p. 2129

10. STOCKPILING. The Armed Services Committee reported with amendments S. 28, to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials (S. Rept. 56)(p. 2131). This bill was made the pending business (p. 2217). Sen. Robertson reviewed the provisions of the bill and inserted extracts of hearings by the Banking and Currency Committee (pp. 2154-7).
11. APPROPRIATIONS. At the request of Sen. Holland, Sen. McClellan was appointed a conferee in lieu of Sen. Russell on H. J. Res. 234, the USDA supplemental appropriation bill. p. 2147
12. DEPRESSED AREAS. Sens. Aiken, Brewster, Burdick, Church, Clark, Douglas, Hart, Long (Mo.), McCarthy, McGee, McGovern, Mondale, Nelson, Neuberger, Pastore, Pell, Ribicoff, Symington, and Tydings were added as cosponsors of S. 812, to provide for the use of public works and other economic programs in a coordinated effort to aid economically disadvantaged areas. p. 2149
13. CROPLAND RETIREMENT. Sen. Murphy was added as a cosponsor of S. 891, to adjust wheat and feed grain production to establish a cropland retirement program. p. 2149
14. FOREIGN TRADE. Sen. Fulbright announced that the Foreign Relations Committee will hold hearings on East-West trade on Feb. 24, 25, and 26. p. 2149
15. GRANTS-IN-AID. Sen. Muskie announced that the Subcommittee on Intergovernmental Relations of the Government Operations Committee will hold hearings Mar. 29, 30, 31, and April 1, on S. 561, to provide for periodic congressional review of Federal grants-in-aid. p. 2149
16. NATURAL RESOURCES. Sen. Kuchel inserted his address to the National Rural Electric Cooperative Assoc., "Resource Development in Our Future." pp. 2151-2
17. FOREIGN AID. Sen. Scott criticized continued foreign aid to the United Arab Republic. p. 2159
18. DISASTER RELIEF. Sen. Bartlett inserted an article commending the speed with which Federal aid was granted to Alaska as a result of the recent earthquake, including aid by REA and FHA. pp. 2167-8
19. HOUSING. Agreed to S. Res. 15, authorizing the Banking and Currency Committee to investigate matters relating to public and private housing. pp. 2187-8
20. GOVERNMENT OPERATIONS. Agreed to S. Res. 54, authorizing the Government Operations Committee to make studies as the efficiency and economy of the operations of the Government. pp. 2188-92
21. PERSONNEL. Agreed to S. Res. 13, authorizing studies by the Post Office and Civil Service Committee. pp. 2203-4
22. TRANSPORTATION. Agreed to S. Res. 76, authorizing studies by the Commerce Committee, including transportation matters. pp. 2216-7

HOUSE

3. SUPPLEMENTAL APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1965 (H. Doc. 80 p. 2123) which included proposals for this Department as follows:

Agricultural Research Service:	
Southwest screwworm program	\$ 550,000
Pay Act costs	6,013,000
Sugar Act program (additional payment to sugar producers)	6,000,000
Emergency Conservation Measures (for repair of farm and range lands damaged by flood and other natural disasters)	10,000,000
Forest Service:	
For fighting forest fires	14,000,000
Pay Act costs	<u>3,924,000</u>
Total	<u>\$40,487,000</u>

House conferees were appointed on H. J. Res. 234, the USDA supplemental appropriation bill, after rejecting by a vote of 165 to 241 a motion to instruct the conferees to insist on disagreement to the Senate amendment providing Presidential discretion in sales to the UAR under Public Law 480. The conferees were given permission to have until midnight Feb. 9 to file a report. pp. 2052-65, 2094-5, 2104-5 (Senate conferees had been appointed.)

4. CONSERVATION. Reps. Saylor, Albert, Boggs, Aspinall, O'Brien, Johnson, Calif., and Udall praised the President's conservation message. pp. 2049-51
5. RESEARCH. Rep. Roosevelt spoke in support of his bill, H. R. 890, to provide research, technical, and financial assistance with respect to the disposal of solid wastes. pp. 2078-9
6. FUTURE FARMERS. Rep. Natcher commended the work of the Future Farmers of America. p. 2093
7. APPALACHIA. A subcommittee of the Public Works Committee voted to report to the full committee S. 3, the Appalachia bill. p. D83
8. EXPENDITURES. Rep. Curtis inserted excerpts from a study by economists of the National Industrial Conference Board including Federal budget expenditures on agriculture and the rise in cost of the farm program. pp. 2084-85
9. COMMITTEE ASSIGNMENTS. Reps. Patman, Bolling, Boggs, Reuss, Griffiths, Curtis, Widnall, and Ellsworth were appointed to the Joint Economic Committee. pp. 2051-2
Rep. Ford announced that Reps. Pelly, Hall, and Johnson of Pa. were assigned as official objectors for the minority. p. 2043
10. FARM LABOR. Rep. Teague, Calif., stated that California's "critical need... for workers, were totally ignored by the President in his farm message to Congress," and that "we do not seem to have any friends in this administration, since we are being over-looked by the President and harassed by the Secretary of Labor." p. 2044

Rep. Roncalio appealed for clarification of the foreign national farm labor situation before Wyoming's sugar beets are spoiling in the fields and inserted letters from constituents stating that very few of the domestic labor force are available for that kind of manual labor. pp. 2105-6

Received from the Western Association of Nurserymen a petition urging the Department of Labor to rescind recent regulations governing employment of foreign workers for seasonal agricultural work.

31. FAMILY FARMS. Rep. Hungate urged more determination to preserve the family farm as an important segment of our society. p. 2118

ITEMS IN APPENDIX

32. FOREST SERVICE. Extension of remarks of Rep. Johnson, Calif., commending the Forest Service on their "60th birthday". pp. A476-7
Rep. Sikes inserted an address by Edward P. Cliff, Chief, Forest Service, "The Forest Service Looks Forward To 1975." pp. A510-1
33. FARM PROGRAM. Speeches in the House by Reps. Bandstra and Culver commending the President's farm message. pp. A486, A520
34. COTTON; TEXTILES. Extension of remarks of Rep. Findley criticizing the cotton program and inserting an article, "One-Price Cotton Benefits Oversold?" p. A506
35. AGRICULTURAL EXPORTS. Rep. Stubblefield inserted Secretary Freeman's address before the Ky. Governor's Conference on Agriculture in which he discussed his Western Europe conferences with Common Market officials. pp. A507-9
36. POVERTY. Extension of remarks of Rep. Shriver inserting a constituent's letter questioning the effectiveness of the war on poverty. p. A511
37. APPROPRIATIONS. Rep. Tuck inserted a magazine article commending Sen. Byrd's proposal "for putting congressional spending authority in a single package." p. A521
38. FLOOD RELIEF. Extension of remarks of Rep. Don H. Clausen, inserting an article telling of the situation facing the people of California due to the havoc wrought by the recent floods. p. A482

BILLS INTRODUCED

39. HOLIDAY. H. R. 4488 by Rep. Findley, to make the birthday of Abraham Lincoln a legal holiday; to Judiciary Committee.
H. R. 4516 by Rep. Onge, declaring October 12 to be a legal holiday, to be known as Columbus Day; to Judiciary Committee.
40. CONTRACTS. H. R. 4497 by Rep. Ichord, to amend the act of August 24, 1935, to require certain contractors with the United States to give an affidavit with respect to payment of subcontractors; to Judiciary Committee. Remarks of author pp. 2077-8
41. DISASTER RELIEF. H. R. 4498 by Rep. Johnson, California, to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters; to Banking and Currency Committee.

Major emphasis was given by President Johnson to the question of controlling and eventually eliminating the pollution which is depriving this Nation of much of its water resources and is contaminating the air which we breathe in many areas.

That the President called for a massive attack upon pollution of all types is extremely gratifying.

As the President declared:

Pollution destroys beauty and menaces health. It cuts down on efficiency, reduces property values, and raises taxes. The longer we wait to act, the greater the dangers and the larger the problem.

Therefore, Mr. Speaker, I would call upon each and every one of my colleagues to study with care the message presented by the President today. There is a tremendous amount of work to be done in this field. We have an obligation to not only our generation to meet the needs of our times and to preserve for our use the scenic and other recreational areas of our Nation, but we have an even greater responsibility to the generations to come to insure that they, too, will have an opportunity to enjoy the great outdoors which many of us in the past have tended to take for granted. The President has summarized much of this work. I would like to urge my colleagues to join me in getting on with the job.

Mr. ANDERSON of Tennessee. Mr. Speaker, I want to add my congratulations to the President for his forward looking proposals to restore, enhance, and preserve the natural beauty of this Nation. Not only is this important in the years immediately to come, it is absolutely vital if future generations are to inherit America the Beautiful rather than a barren and ugly countryside. The President has shown a depth of concern in this matter that is most commendable.

Mr. Speaker, in campaigning nearly 50,000 miles in the Sixth District of Tennessee, I was constantly impressed that scenic beauty and the potential for great expansion in outdoor recreation facilities constitutes one of our prime assets. Just as one example among many, we have the Buffalo River, which is said to be one of the last remaining good canoe streams in the United States. I understand the Buffalo may come under consideration for inclusion in the national wild rivers system. I stand ready to assist the President and the Federal departments in pursuing this and other studies so that the best possible preservation of scenic beauty and recreation resources development can be brought to the Sixth District under the President's fine program.

Mr. CALLAN. Mr. Speaker, I wish to express support for the President's announced intention of increasing this Nation's efforts at conservation and land and water resources. It is clear that we must preserve as much of the natural beauty of this country as possible.

I believe that my State has been a leader in this field and I know that it will continue to be. The beauty of Nebraska has been and is being preserved. In the near future, no city in my

home State will be polluting the rivers and streams of this country.

But we must do more and it is clear that the President intends that we do. I would, however, point out that heroic efforts are already being made by numerous citizens of this country through on-going programs of many years duration.

The farmers of this country have, for many years, with Federal participation, shared their own money and efforts for soil conservation practices which have meant that tons and tons of topsoil from our rich farmlands have been saved from clogging rivers and streams. We must not reduce our efforts in this field for to do so would be to plug one hole in the dike of conservation by unplugging another.

I hope that the "new conservation" proclaimed by our President means also to continue and strengthen our programs of watershed developments, terracing, and waterways.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the President's messages on conservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

A POEM BY CARDINAL CUSHING

(Mr. McCORMACK (at the request of Mr. Boggs) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, in my extension of remarks, I am very happy to insert a sweet and refreshing philosophical poem entitled, "I'm Fine," written by His Eminence Richard Cardinal Cushing, archbishop of Boston. How well can this sweet and resigned philosophy expressed by Cardinal Cushing apply to every one of us.

A friend of mine recently wrote to me and he included in his letter the poem written by the cardinal. I am inserting it in the RECORD because I feel everyone who reads it will derive great pleasure and benefit from it.

I'M FINE

(By His Eminence Richard Cardinal Cushing)

I live out in Brighton, close to B.C.
And I'm just as healthy as I can be
I have arthritis in both my knees
And when I must speak, then I talk with a wheeze
My pulse is weak and my blood is quite thin
But I'm awfully well for the shape that I'm in.

I need arch supporters to strengthen my feet
My ankles are swollen; I'm white as a sheet
I toss in my bed without sleep every night
No wonder each morning I look like a sight
My memory is falling, my head's in a spin
But I'm awfully well for the shape that I'm in.

Diverticulitis is a word hard to spell
But it's a disease from which I'll never get well
Ulcers that keep me on a diet with maalox
Prevent me from resting in a funeral box
The length of my sermons brings yawns or a grin
But I'm awfully well for the shape that I'm in.

The moral is, friends, as this tale I unfold
That for you and for me who are fast growing old
It's better to say "I am fine" with a grin
Than to let people know of the shape that we're in.

H.R. 4466—RESOURCES DEVELOPMENT ACT OF 1965—A PROGRAM FOR DEVELOPMENT OF ALL DEPRESSSED AREAS OF THE UNITED STATES—PREFERABLE TO APPALACHIA REGIONAL APPROACH

(Mr. CRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAMER. Mr. Speaker, as ranking minority member of the Committee on Public Works of the House, having been devotedly interested in and concerned about the regional approach to poverty being proposed by the administration relating to Appalachia, and recognizing that this discriminates against the rest of the United States of America, and recognizing further that there are in excess of some 1,400 counties throughout America that were included as depressed areas under the area redevelopment program and the accelerated public works program and that those counties are being denied assistance of any kind; and, also being opposed to basic makework pork barrel public works approaches to these matters rather than long-range efforts to solve the difficulties and help the communities meet their unemployment demands and attain their economic potential, I have today introduced H.R. 4466 which is to provide for the economic development programs needed to assist in the development of all areas of the United States where depression exists and in order to encourage their realization of their full economic potential. This is known as the Resources Development Act of 1965. I say to all of those Members who are concerned about the Appalachia approach, they being outside of this area, and secondly about setting up a Federal czar to dictate to the States and local counties, that they should take a close look at this legislation and I hope they will support it.

I have a 30-minute special order that I intend to use for a further discussion of this matter.

APPOINTMENT OF MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of title 15, United States Code, section 1024(a), as amended, the Chair appoints as members of the Joint Economic Committee the following members on the part of the House: Mr. PATMAN, of

Texas; Mr. BOLLING, of Missouri; Mr. BOGGS, of Louisiana; Mr. REUSS, of Wisconsin; Mrs. GRIFFITHS, of Michigan; Mr. CURTIS, of Missouri; Mr. WIDNALL, of New Jersey; Mr. ELLSWORTH, of Kansas.

MEMBERS OF NATIONAL MEMORIAL STADIUM COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 523, 78th Congress, the Chair appoints as members of the National Memorial Stadium Commission the following members on the part of the House: Mr. TEAGUE, of Texas; Mr. SICKLES, of Maryland; Mr. DON H. CLAUSEN, of California.

NEW JERSEY TERCENTENARY CELEBRATION COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-683, the Chair appoints as members of the New Jersey Tercentenary Celebration Commission the following members on the part of the House: Mr. RODINO, of New Jersey; Mr. THOMPSON, of New Jersey; Mr. WIDNALL, of New Jersey; Mrs. DWYER, of New Jersey.

COMMITTEE ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BURLESON. Mr. Speaker, I offer a privileged resolution (H. Res. 192) and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 192

Resolved, That the Committee on the Disposition of Executive Papers, provided for by section 5 of Public Law 115, Seventy-eighth Congress, shall consist of two members of the Committee on House Administration, to be appointed by the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEMBERS OF COMMITTEE ON DISPOSITION OF EXECUTIVE PAPERS

The SPEAKER. Pursuant to the provisions of section 5 of Public Law 115, 78th Congress, and House Resolution 192, 89th Congress, the Chair appoints as members of the Committee on the Disposition of Executive Papers the gentleman from New Jersey [Mr. THOMPSON] and the gentleman from Michigan [Mr. CHAMBERLAIN].

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 9]

Abernethy	Battin	Cahill
Andrews	Bell	Cederberg
Glenn	Blatnik	Clancy
Ashbrook	Brooks	Corbett
Baring	Burton, Utah	Devine

Dwyer
Erlenborn
Evins, Tenn.
Fulton, Pa.
Gathings
Gibbons
Grabowski
Hagan, Ga.
Hardy
Herlong
Hollifield

King, Calif.
Laird
Landrum
Leggett
Love
Martin, Mass.
Miller
Morse
Murphy, N.Y.
Pelly
Powell

Pucinski
Purcell
Rivers, Alaska
Roush
Shipley
Teague, Tex.
Toll
Waggonner
Williams
Wilson, Bob

The SPEAKER. On this rollcall 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Florida [Mr. PEPPER], I ask unanimous consent that the Committee on Rules may have until midnight tonight to file privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the House joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MICHEL. Mr. Speaker, I offer a preferential motion.

The SPEAKER. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. MICHEL moves that the managers on the part of the House at the conference on disagreeing votes of the two Houses on House Joint Resolution 234 be instructed to insist upon disagreement to Senate amendment No. 3.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the arguments of those in opposition to my amendment who say that this would "tie the President's hands" is completely without foundation. In my speech of February 4, I pointed out that the President can operate under title 7 of the United States Code, as well as under title II, III, and IV of Public Law 480.

The argument that the amendment adopted by the House of Representatives to House Joint Resolution 234, exceeds the powers of Congress because it limits the discretion of the President in conducting our foreign relations is wholly without substance. There is nothing whatever in the Constitution to support

the notion that the President has the sole authority to determine this Government's foreign policy. To be sure, the Constitution makes the President the sole spokesman of this Government in dealing with other countries. He alone conducts negotiations with foreign governments. But that by no means gives him exclusive authority to determine what the foreign policy of this Nation shall be.

Article II, section 3, imposes on the President the duty to "take care that the laws be faithfully executed." This applies to all laws Congress is empowered to pass; the Constitution makes no distinction between laws relating to internal affairs and those which affect our relations with the rest of the world.

The fact that several of the powers vested in Congress by article I, section 8, directly and explicitly affect foreign relations clearly shows that the framers of the Constitution had no thought of giving the President exclusive authority in this field. Under article I, section 8, it is Congress, not the President, which is empowered to declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water; to raise and support armies; to provide and maintain a navy; and to define and punish felonies committed in the high seas and offenses against the law of nations. It is Congress, not the President, which is authorized to regulate commerce with foreign nations. In the light of these provisions there is no warrant for suggesting that in exercising its powers under article I, sections 8 and 9, to control the Nation's purse strings, and under article IV, section 8, to dispose of, and make all needful rules and regulations concerning property belonging to the United States, Congress is subject to some unexpressed limitations with respect to matters which affect foreign policy. Far from having exclusive authority to determine how, when, and where public property and public funds shall be used in dealings with foreign countries, the President has no authority whatever to use one penny of public funds or to dispose of one item of public property for this purpose unless that authority is granted by act of Congress.

The notion that Congress is overreaching its authority by adopting this amendment is particularly farfetched in the light of the legislative history of the provision for the sale of surplus agricultural commodities for foreign currencies. This provision had its genesis in an amendment added in 1953 to the Mutual Security Act of 1951, 67 Stat. 159. In that year each House added an amendment looking to the use of surplus agricultural commodities as a form of assistance to friendly nations, 99 CONGRESSIONAL RECORD 6910, 7779, 1953. The provision finally adopted was drafted by the conference committee, House Report No. 770, 83d Congress, 19, 1953. It was carried forward in 1954 as part of title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954.

Without this provision, and appropriations made to implement it, the President would be powerless to sell or grant any

agricultural commodities to any country on any terms whatsoever. How can it be argued that Congress is exceeding its authority when it stipulates that moneys provided under a program which originated with it, and which could not be used at all without its affirmative action, shall not be spent for purposes deemed inimical to the best interests of the United States?

Moreover, it should be emphasized that this amendment does not completely bar the furnishing of agricultural commodities to the United Arab Republic if the President sees fit to continue such aid in spite of the views expressed by Congress. This amendment restricts only the use of funds made available by House Joint Resolution 234. It applies only to the remaining 5 months of the fiscal year 1965. It does not prevent the furnishing of such aid, even in the next 5 months, by the use of other funds which may be available from other sources than the appropriation made by this joint resolution. It does not prevent the use of funds made available after the close of this fiscal year. By its terms, the amendment affects only transactions under title I of Public Law 480. The authority of the President under other provisions, such as his power under title II of Public Law 480 to make grants of surplus agricultural commodities to promote economic and community development in underdeveloped areas, remains unchanged.

This amendment makes clear the serious concerns of the Congress that the contemptuous attitude of the United Arab Republic to this Government, and its intent that moneys extracted from the pockets of American taxpayers should not be used to subsidize activities inimical to their interests and to the peace of the world. It will call a halt to the continued flow of surplus funds to the United Arab Republic as a matter of routine. But, since it affects only the expenditure of the moneys appropriated by this resolution, and is limited in time to the remaining months of this fiscal year, it does not unduly restrict the discretion of the President. It leaves ample opportunity for him to continue to supply aid to the United Arab Republic, if after full consideration, he considers it desirable to do so and takes personal responsibility for that action.

Mr. Speaker, as for the argument that this aid is going strictly for and directly into the mouths of starving Egyptian children, and therefore we should not cut off the flow of these commodities, let me quote from the Washington Post in their editorial of December 27, 1964, which said:

It would be a great pity if this should happen, but it would be even worse if others should infer that the United States is so devoid of self-respect that it can be unfairly abused with utter impunity.

We all know this foregoing statement sums up the feelings of any reasonable man and the starving children bit is a phony argument. Anyone with an ounce of commonsense knows that the millions of dollars of surplus foods this country sends to Egypt operates—by freeing Egyptian funds and food—as an indirect

subsidy in helping it to carry out its policy of international disruption. This is brought out in Nasser's own words, as I will cite later in the course of my remarks.

Another argument that was recently raised is that Nasser was provoked into villifying this country because of the actions of our Ambassador and therefore Nasser's actions are justified. Let us examine the events leading up to this so-called provocation. I now quote from the article "United States of America and United Arab Republic—A Crisis in Confidence," written by John S. Badeau, our former Ambassador to Egypt, appearing in the January 1965 issue of Foreign Affairs:

During the past 2 years there have been five instances of United Arab Republic meddling which particularly disturbed Americans. The first was Egypt's support for the coup d'etat which overthrew the Imam of Yemen. What began as modest help to Republican forces against the Royalists ended with full-scale military occupation of the country. Egypt eventually had nearly 40,000 troops in the Yemen. A second instance was the dispatch of United Arab Republic arms and technicians in support of Algeria in its border dispute with Morocco—and this at a time when Cuba was also getting into the act.

The third incident was the supply of small arms to the Government of Cyprus during the current civil war on that unfortunate island. While any government has the legal right to sell arms to another government, it seemed that Greek Cypriots had ample quantities of weapons on hand, both for their regular and irregular forces. What reason had the United Arab Republic to contribute to an already overabundant supply except the desire to fan the fires of conflict between Greek and Turkish Cypriots? And why did Nasser welcome Makarios so warmly to Cairo this summer, unless the United Arab Republic is more interested in perpetuating than in calming the Cyprus disorders?

The fourth instance is perhaps the most serious. In February 1964, President Nasser, in a public speech heard throughout the Arab world, called for the ending of British and American base rights in Libya. The response was an immediate public furor in Libya which came dangerously near to ending in the abdication of the King. Once again Egypt was interfering in the affairs of its neighbors, and in a form directly challenging an American interest.

Finally, there is the current Egyptian campaign against the South Arabian Federation and its British sponsors. Here is an area remote from the United Arab Republic, without visible impact on Egyptian security interests. Whether the Egyptian offensive is a diversionary ploy in the Yemen affair or a more general stirring up of trouble for trouble's sake, it only confirms American opinion that the United Arab Republic is always minding someone else's business.

Now let us examine Nasser's own words regarding the so-called provocation. The Library of Congress was kind enough to provide me with a copy of President Nasser's speech at Port Said on December 23, 1964, and from that I quote:

I am saying this because the American Ambassador yesterday called on the Deputy Premier for supply and sat with him for a few minutes, looking glum and sulky. He was supposed to talk with him about the supply material we are obtaining from America in accordance with the products law. The Ambassador told the Deputy Premier

that he cannot at present talk about this matter at all. Why? Because he does not like our conduct, that is, conduct here in Egypt.

President Nasser went on to say:

He who speaks a single harsh word to us will have his tongue cut off.

Now was Nasser really provoked by a single harsh word of an Ambassador who looked glum and sulky.

Let us look further into his speech to see what he had to say about the real provocation: I quote:

An aggression has taken place against the Congo. American and Belgian troops landed in Stanleyville. We have condemned this aggression. For what is the difference between the Anglo-French aggression against Port Said in 1956 and the American-Belgian aggression against Stanleyville in 1964? Both had arms, both landed by parachute, and both killed the natives of the country. We are opposed to aggression in whatever form it may be. We are for the freedom of peoples.

Can we possibly recognize Tshombe as the representative of the Congolese people? Tshombe is a murderer. If America and Belgium had installed Tshombe as a Premier, he is then a Premier in the pay of America and Belgium, and we cannot under any circumstance recognize him as a Premier representing the Congolese people. It is not only us who did not recognize him. You remember when Tshombe came here during the nonaligned conference? The non-aligned states did not recognize him, and not a single state agreed to allow him to attend the conference as a representative of the Congolese people.

Who then says that Tshombe represents the Congolese people? The Americans and the Belgians. We say that Tshombe is nothing but an agent of imperialism. Tshombe is an agent serving the interests of America and Belgium in the Congo. We will in no way allow this example to succeed in Africa. This example must fail in Africa, and the national forces there must succeed.

We have helped the Congolese people. They (the West—ed.) said that we have helped the Congolese people, and I say, indeed, yes. We have helped the Congolese people. We have sent arms to the Congolese people, and we will still send them arms. We do not attempt in any way to deny or hide our (few words indistinct), because we do not recognize Tshombe. We do, however, recognize him as an agent of imperialism. We consider that the national rebels in the Congo require every support from the national forces and the honorable forces in the world.

So, Mr. Speaker, we see that our humanitarian operation in the Congo to save the lives of our missionaries who were being butchered like animals is tabbed as barbaric behavior. Now we have an appeal to help Egypt on humanitarian grounds.

Why did our action in the Congo to save our missionaries cause such a violent reaction resulting in the so-called provocation? The most recent issue of Intelligence Digest, February 1965, which just came across my desk has an excellent analysis of the offensive against the church in Africa. The article states:

OFFENSIVE AGAINST THE CHURCH IN AFRICA

The massacres in the Congo have set off a full-scale Russian diplomatic offensive in Africa against the Christian church in general and against missionaries in particular. The hysteria which events in the north-east Congo have caused in widespread parts of

Africa has been turned to good advantage by clever maneuvering in Moscow.

For instance, proof has been found of a plot between Tshombe and the Vatican calling for the brutal killing of missionaries in the Stanleyville area by Tshombe's forces so that these murders can be blamed on the rebel forces.

The atrocities are therefore in no way denied; but the rebels are exonerated from all blame. The tragedy is, instead, held up as but yet another example of the bestial methods the church has used in Africa for the past 500 years, and Tshombe is shown as the willing tool of the "neocolonialists in clerical dress". Tshombe's recent audience with the Pope, during his visit to Rome, is exploited to the full.

A WELL-PREPARED CAMPAIGN

There is evidence that Russia's African experts in Moscow have prepared for some time for this campaign against the Christian church in Africa and that they have merely waited for the opportune moment to launch it. The Stanleyville massacre appears to have been deemed a useful opportunity.

The basis of the campaign is a well-documented exposure of the Christian church's history in Africa which has certainly taken careful research to produce. The aim is not to discredit religion as such, but to warn against the work and influence of all missionaries, every one of whom is said to be a western agent seeking to re-enslave Africa.

A NEW AND BOLD PHASE

The "exposure" is to be made available, through Soviet Embassies and agents, to African nationalist leaders. It is not a mere propaganda attack. It is a new and bold phase in Russia's African strategy.

The exposure goes back into history, to the days when "the colonial plunder and violence had only just begun"—to the decree of Pope Alexander VI which divided the non-Christian world between Spain and Portugal. This decree is shown to have established "in the colonies a savage system of torture and punishment with which it terrorized the population." It laid the foundation for the monastic orders to engage in usury, slave trading, and smuggling.

Missionaries are shown to have been, throughout history, the merciless exploiters of the people in the seized territories, and at all times to have acted as forerunners of the secular colonialists. Today they are allegedly the agents of the "neocolonialists and imperialists who are seeking to crush the national liberation movement."

The colonial-imperialist system now places great hopes on the church and its missionaries. A whole "army" of missionaries is said to be busy with a fresh invasion of the African continent. "The colonialists are using this strong, well-trained, well-equipped army, whose numbers are constantly increasing, as an instrument of neocolonialism," Moscow claims authoritatively.

AMERICANS ACCUSED

"It is a characteristic fact that during the past decade, especially during the postwar period, American clerics and American monastic orders have been playing a more and more important part as missionaries, and missionary work itself is being more and more financed by U.S. monopolists.

"There is today a total of 35,000 American missionaries. They do not halt their intrigues and subversive activities for a single day. We would be justified in saying that there has not been a single more or less important event in the liberation movement in recent years in which the church leaders and missionaries acted nobly."

A TURNING POINT

Moscow further claims to have unearthed a secret report to the Vatican prepared in 1956 by a leading Belgian cleric, whose name is given as Jacques Meyer, in which he alleg-

edly advised that in future missionaries "if they want to succeed in fighting the national liberation movement, they should hurry and change their costumes, adapt themselves to new conditions, maneuver and deceive, and teach their flocks more slyly." Thus, "the Vatican and the local reaction do their dirty work together."

BESTIAL HATE

Referring specifically to the Congo, the Vatican's army of 300 missionaries is said to have been sent in under the command of the monstrous Father Martin Adolf Bornmann to practice against the freedom fighters the lessons he had been taught by his father, Hitler's lieutenant.

That apparently explains the "bestial hate" which the church has been spreading in the Congo. "Supposedly holy nuns" are accused of openly joining the mercenaries in their work of extermination, although they are more normally engaged in sabotage.

It is also claimed that fresh evidence now discloses that it was the church which had engineered the death of Patrice Lumumba. The reason for it was that the church had learned that Lumumba was working on a book to expose the criminal activities by missionaries in Africa over the years.

It has thus been found that while missionaries preach with the Bible in hand by day, they plot devilish schemes against Africa by night. Even the recent rioting and bloodshed in Khartoum was due to the "provocative activities of foreign missionaries" who have been sowing discord and animosity with their inflammatory sermons.

The purpose of the whole campaign is summed up in the following words taken from the Moscow-prepared brief: "The nations that have cast off the chains of colonial slavery should remember that although the colonialists have gone, their underlings, the church and the missionaries, remain, continuing their disgusting efforts against freedom and progress."

A TURNING POINT

Our East European correspondent, who has been studying the Soviet drive in Africa from the Russian end, has sent the following comment: "There are clear indications that Moscow sees the recent events in the Congo as a turning point. The Stanleyville and other massacres have brought the missionaries into the limelight and have given the Russians the opportunity to set in motion a well-prepared plan to discredit the Christian church.

"The wish to break the influence of the church in Africa is not new, but hitherto there was caution because the reaction of the many thousands of African Christians could not be foreseen. The fact that the hesitation has now gone reflects the growing confidence among Russian leaders that they are making definite progress in Africa and need no longer consider moderate African opinion. The offensive against the church is but another sign of their altogether more bold approach to Africa in the past 2 months."

DONORA, PA.,

February 5, 1965.

Representative ROBERT H. MICHEL.

DEAR SIR: In view of the fact that you have sponsored the anti-Nasser amendment, I am sending you a copy of the letter that I wrote to President Nasser and to their official newspaper.

MR. MICHEL, it is very hard for me to understand the throwing away of our money to countries that are not friendly toward us—yet I cannot borrow a couple thousand of dollars to send my daughter through a State teacher's college. My daughter is a good girl, one who studies very hard, one who would like to become a good elementary schoolteacher, her college freshman year grades are all "A" and "B." I am not working very steady, have an older son in college,

a mortgaged home. We are now a family of seven.

It is frightening when one considers all the injustice that is going on.

MR. MICHEL, I have just begun to fight.

May our good God bless you and your loved ones.

Yours truly,

ANDREW WARHOLIC.

DONORA, PA.,

January 4, 1965.

President GAMAL ABDEL NASSER.

DEAR SIR: Please allow me to introduce myself. My name is Andrew Warholic, age 48, happily married, blessed with a wonderful wife and four children. I work in a steel-mill. I am a Byzantine Catholic and I am trying very hard to be a good one.

MR. NASSER you stated that you are a people of dignity, I'm glad to hear that, and that's the way it should be. Now what makes you think that we Americans don't have any dignity?

MR. NASSER, the economic aid that you have received from our wonderful country comes from part of my income tax. A tax that I gladly pay so that others less fortunate than I can benefit.

Now that you have received our aid, and you are now slapping me across my face, I don't like it one bit, and I'm going to tell you so.

I don't believe that our Ambassador, Mr. Lucius Battle, was trying to dictate United Arab Republic policies in exchange for aid.

If our aid was stopped because you have sent arms to the Congo, then I say it's about time that we are taking a stand. What right have you to help kill our priests, nuns, and missionaries in the Congo? These people were doing a wonderful job for the Congolese people and now you admit that you helped to kill them by sending arms.

MR. NASSER, when this aid was given to your country, I did not want nor expect a thank you for it, but it hurts when you tell us to go and drink from the ocean, after, you receive our aid and the fact that you are asking for \$35 million more of surplus food.

If the aid was stopped because of your indifference to the sacking of the U.S. Information Service Library in Cairo, then it's about time that we are taking a stand on that also.

If the aid was stopped because of your indifference to the shooting down of an unarmed airplane, then once again I say it's about time that we took a stand.

MR. NASSER, the speech that you made in the presence of Mr. Alexander Shelepin, criticizing the United States wasn't right, and you know it. Why are you trying to blame us for your nation's economic crisis?

I wonder what Russia would do to you if they were giving you aid, and you in turn would be sending Communist China arms?

Yes, MR. NASSER, we are a proud and sensitive people. We will not accept insults from anyone, not even you.

I have no quarrel with the people of your country, for I try to accept them, their customs, and their cultures. But I have been slapped by you—it hurts and I don't like it, and I as a freeman don't have to like it, especially a man that has tried to help your country.

At this time I cannot fully understand why you hate us so. Were you grandstanding for the benefit of the Russian, Mr. Shelepin? If so, then you were playing a very dangerous game. Just remember that in the past, "Those who foolishly sought power by riding the back of the tiger ended up inside."

MR. NASSER, our late beloved, President Kennedy expressed himself and the American people when he said, "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardships, support any friend, oppose any

foe, in order to assure the survival and the success of liberty. This much we pledge—and more."

"To those peoples in the huts and villages across the globe struggling to break the bonds of mass misery, we pledge our best effort to help them to help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

"My fellow citizens of the world: Ask not what America will do for you, but what together we can do for the freedom of man."

To all Egyptian people, I sincerely hope and pray that the new year will be much better, and that our good God will bless you and your loved ones with very good health and happiness.

Yours truly,

ANDREW WARHOLIC.

[From the New York Journal-American, Dec. 30, 1964]

UNITED STATES TIRES OF ROLE AS WHIPPING BOY

(By Frank Conniff)

If there ever was a time when we needed Nasser's friendship—a doubtful proposition at best—that time is long gone. Ben Beila and the other minor league fuhrers also seem to be overlooking the fact that the United States no longer needs them in any capacity trussed to our security.

The consensus mentioned above may soon tolerate a situation which sees the two Communist giants wrestling one another for control of parts of the globe really not worth fighting over. Meanwhile the United States, rebuffed by the same people who should welcome our friendship, will rest snug and secure under the new conditions of a power balance achieved since the stabilizing of Europe and the development of sophisticated missile systems.

The point that Afro-Asian leaders, particularly those at the United Nations, should bear in mind is that this new trend in American thinking is sparked not by people unfriendly to their cause. Their nations need help, and we want to give it to them. But not at the expense of listening forever to pro-Communist proclamations and anti-American tirades. We're just like them in a way: We want to be respected, despite our wealth. And we will.

[From the New York Journal-American, Jan. 3, 1965]

(By William Randolph Hearst, Jr.)

The hostile actions and abuse from nations which the United States has befriended and defended have brought us to a turning point.

The view is essentially one that our Hearst newspapers have always advocated: that the enlightened self-interest of the United States be put ahead of all other considerations in international affairs.

There have been times when U.S. self-interest called for intervention in parts of the world. There have been times when our national self-interest called for aid to bolster allies and even countries which preferred to call themselves neutral.

We don't have to keep on giving aid to dictators like Nasser and Ben Beila and Sukarno who sneer at us. We have been trying to help their people, but these self-centered, bean-brained dictators have instead bitten our hand.

We don't have to compromise about the Soviet weighing on U.N. obligations.

It is, as above stated, a time to get tough—a time to speak.

A primary vital interest is one in which the security and well-being of a nation are involved. By this criterion we have been

committed far beyond our primary vital interests and far beyond our military and political reach.

Finally we come to the almost frantic anti-American hysteria indulged in and encouraged by the Soviet Union in recent weeks. It is at least a novel form of the "coexistence" so smugly proclaimed by the Kremlin as its basic foreign policy.

[From the New York Journal-American, Jan. 4, 1965]

UNCLE SAM: IS HE FINALLY FED UP?

(By William S. White)

There is a fed-up feeling here at a whole series of actions of a grotesque unthink and newspeak. President Gamal Abdel Nasser of the United Arab Republic finds his patience with us so exhausted that publicly he calls upon us to go to hell—though he uses an Egyptian variant of that expression—and to take our millions of dollars in aid with us.

Nasser has had a dreadfully hard time from us. For years we have been forcing crude American dollars upon him—many of which he has been spending for arms in the Soviet Union—although we have at least been sensitive enough never to demand that he alter his habitually anti-Western policy line.

One also can well understand how right he is to be displeased with us for other reasons. After all, we go around in the United Nations daring to suggest that he ought to quite sending in arms to Chinese Communist-backed rebels who are trying to destroy the free Government of the Congo.

One wishes, indeed, that President Johnson would take the occasion to say something to this effect: "We have read your statement as what we should do with our aid, Colonel Nasser. As of right now we are pleased to adopt your advice and bring our money home." The lesson might be salutary all around.

WHAT'S WRONG WITH OUR MIDDLE EAST POLICIES?

(By Walter Winchell)

Appeasement is a dirty word. In this case it is the only accurate description of our policies there. Dictator Nasser has exchanged a handshake for a backstab. Mr. Justice Oliver Wendell Holmes once observed that a page of experience was worth 10 volumes of logic. The entire experience of appeasement is that it is as foolish as it is dangerous. The appeaser considers his policy as a gesture toward peace. The dictator accepts appeasement as a military victory.

[From the New York Journal-American, Dec. 30, 1964]

A "NO" FOR NASSER

Washington showed signs of getting tough about Egyptian President Nasser, the diatribing American-hater who holds his hand out for our aid the while he foams at the mouth against us.

Under a 3-year agreement, ending next June 30, we have been sending him \$140 million in food annually. He has asked for a special additional \$35 million supply. Washington has delayed decision until 1965. Under a new provision, the heavy shipping charges, heretofore borne by the United States, would then have to be paid by Nasser.

This prospect has enraged him. He is outraged at this departure from the spirit of gentle endurance that hitherto has induced Uncle Sam to help Nasser remain in the good graces of his hungry countrymen by providing him with vast cargoes of food.

The great mass of American public opinion will approve any firm stand by Washington that demonstrates its patience has ended and that its delayed decision is a first step in terminating the coddling of its malicious assailant.

We can't play it both ways, gentle and tough. We've tried the first. It hasn't worked. The alternative is a must.

[From the New York Times, Dec. 25, 1964]
AID TO EGYPT

In a speech bristling with insults to the United States, President Nasser of the United Arab Republic has declared that his country intends to go on sending arms to the Congolese rebels. The insults are less important than this blatant assertion of resolve to help equip forces of pillage, murder and dissension in their effort to overthrow the legal government of the Congo.

The Nasser declaration makes it impossible for the United States to escape a recognition that the millions of dollars in surplus food this country sends to Egypt operates—by freeing Egyptian funds—as an indirect subsidy in helping it carry out its policy of international disruption. The United States does not provide aid as a means of dictating the policies of foreign governments; but neither does it provide aid as a means of undermining world peace or enabling foreign adventurers to interfere in the affairs of their neighbors by military or other means.

[From the Washington Post, Dec. 27, 1964]
AID AND EGYPT

Those who give may be blessed, but they cannot expect effusive gratitude—especially when a rich country gives to a poor one. Indeed, the very sense of dependence that foreign aid may encourage can cause leaders elsewhere to carry precariously perched chips on their shoulders. A nation no less than an individual is loath to suggest that its soul is for sale for a bowl of pottage.

Something of this psychology is evident in the present controversy with the United Arab Republic. President Nasser is seeking an emergency supplement to the \$140-million-a-year food aid program. The request has coincided with a dispute over Egyptian aid to the Congolese rebels, the mob attack on a USIA library in Cairo, and a recent incident involving the shooting down of a privately owned U.S. plane.

Under new language added to Public Law 480, hard currency is required for shipping costs. This requirement has added to Mr. Nasser's irritation. In a speech marking an anniversary of the Suez debacle of 1956, the Egyptian President said that those who disapprove of his views, "can go drink sea water. If the Mediterranean is not enough for them, we can give them the Red Sea to drink too. We cannot sell our independence for 30, 40, or 50 million pounds."

Certainly the United States is not asking the United Arab Republic to sell its independence. This country has learned something since the time when Secretary Dulles precipitously canceled our support for the Aswan High Dam. In past years, by dint of patient effort and considerable restraint on both sides, relations have improved between Washington and Cairo. But the line Mr. Nasser is now taking puts those relations in jeopardy.

The donor no less than the recipient has pride in any foreign aid venture, it is quite true that the United States cannot expect agreement from the Egyptians on the many issues in which both countries have an interest. But this country can rightly expect to have its diplomatic missions respected in Cairo and to be spared blunt attacks that go beyond normal diplomatic usage in relations between states.

It would be a mistake, in our view, for the United States angrily to withdraw all help from Egypt because of the present dispute. But it would not be an error, if the same vehement attacks persist, for the United States to indicate quietly and without anger that the program can be terminated and thus spare Egypt suggestion that the food is being

used as a bribe. It would be a great pity if this should happen, but it would be even worse if others should infer that the United States is so devoid of self-respect that it can be unfairly abused with utter impunity.

[From the Houston Post, Dec. 26, 1964]

TOUGHER FOREIGN AID POLICY?

However much the Soviet Union and Communist China may be at loggerheads, they are united in a massive, global propaganda effort to destroy the prestige and influence of the United States, and it seldom has been equaled in bitterness and virulence. The campaign is being pressed in the United Nations and on every other possible front.

The heart of this effort appears to be an attempt to smear the United States as a colonial power out to dominate the world. It is an old trick, of course, to try to convict your opponent of what you are trying to do yourself. The fact that the United States is not a colonial power and has no aspirations to be does not make the slightest difference.

The Communists have taken care of that by inventing a new term, "neocolonialism." Nobody seems to know exactly what the term means, but presumably it covers anything this country may do anywhere in defense of its own interests, to forestall the spread of Communism or to help other countries maintain their independence from Communist domination.

Some of the so-called unaligned nations which have been receiving American help are most vocal and active in this smear campaign. They have asked, begged for and received aid from the American taxpayers. They have even used blackmail in attempt to get more of it. Yet they turn right around and shout that this aid is part of a deep, neocolonialistic plot on the part of the United States, that it is attempting to make them economically subservient.

Their attitude seems to be that they are entitled to this aid as a matter of right simply because the United States is rich and powerful and they are backward, that it should be given them in unlimited quantities with no string attached. They feel no sense of gratitude whatsoever and take the position that none is due.

It would serve them right if all the abuse and vituperation they are now heaping upon the United States in cooperation with the Communist smear campaign returned to haunt them.

There is some indication that the Johnson administration is moving toward a tougher policy with respect to the dispensing of foreign aid. This helps explain the angry outburst of Egypt's Gamal Abdel Nasser against the United States. On the same day that he delivered his tirade against this country, Foreign Aid Director David Bell was saying in Austin, after a conference with President Johnson, that the foreign aid budget for the 1966 fiscal year may be even lower than this year's \$3.5 billion.

The purpose of the foreign aid program is not to win friends or anybody's gratitude. It is intended to serve this country's own interests. Those interests include doing whatever is reasonably possible to combat the spread of Communist imperialism. Help is extended to other countries to help them remain free from this domination if they really want to be free. But the United States does have a right to demand that they make a satisfactory effort to help themselves and at least not bite the hand that is helping them. If they do bite it, it may be withdrawn.

[From the Chicago Tribune, Jan. 4, 1965]

SELLING OUR DIGNITY

Only 5 days after President Nasser of the United Arab Republic angrily denounced the United States and told us to go drink sea water—Egyptian slang for "go to hell"—the Department of Agriculture issued an author-

ization for shipment of \$16,944,000 worth of wheat to the United Arab Republic under the food-for-peace program. Our Government will pay cash for the wheat in the open market, and Egypt will pay for it, not in dollars, but in Egyptian pounds, much of which will be spent there as part of our foreign aid.

Arrangements for the transaction had been made some time before Nasser bitterly accused our Ambassador, Lucius D. Battle, of trying to put economic pressure on Egypt. The Arab dictator had asked the United States for an additional \$35 million worth of food this year because of a food shortage in Egypt. Since the food-for-peace program was enacted in 1954 as Public Law 480, the quantity of American surplus foodstuffs sent to the United Arab Republic has had a total market value of more than \$720 million but has cost our Government more than \$1.1 billion dollars, including ocean transportation.

What apparently irked Nasser was our Government's suggestion that if he is going to continue to spend money to send arms to the Congolese rebels, who have been massacring Americans and other white hostages, he might pay for our food in hard cash dollars. Up to now he has been paying for it in nonconvertible Egyptian currency, most of which has been returned to him as foreign aid loans and grants. He called Congolese Premier Moise Tshombe a murderer and an imperialist agent of the United States and Belgium, adding, "We shall send more arms to the Congo."

It may be recalled that only last month a Cairo mob burned the John F. Kennedy Memorial Library, and more recently an Egyptian Air Force jet shot down an unarmed private American oil company plane, killing the pilot and copilot. Yet our Government went ahead and authorized a virtual gift of \$16 million worth of wheat. How long will it be before we hear that the additional \$35 million worth of wheat Nasser asked for will be forthcoming?

During his harangue Nasser accused the United States of trying to get Egyptians to sell our dignity. He has more regard for Egyptian dignity than the State and Agriculture Departments have for ours when they continue to give aid to a two-bit dictator who has nothing but insults and abuse for us.

[From the Chicago Sun Times, Dec. 25, 1964]

WHY SUBSIDIZE OUR VILIFIERS?

(By Milburn P. Akers)

Denunciations of the United States and its foreign policy by Communist nations are to be expected as a matter of course. But denunciation of the United States and its foreign policy by nations which the United States has sought to aid indicates a need for a realistic appraisal of that policy; an adjustment, perhaps, to facts as they exist.

Petty tyrants, strutting about in the manner of cockerels on dunghills, denounce the United States and, in effect, tell us to pack up and get out. In their oratorical frenzies designed, in part, for local consumption they suggest they neither need nor want our aid, economic, military, or otherwise.

They parrot the Communist line which holds we are imperialists intent on exploiting the undeveloped nations; they turn their mobs loose to burn and destroy American embassies and information libraries. They have converted the United Nations Assembly into a propaganda device for assaults on the United States.

Gamal Abdel Nasser, the dictator of the United Arab Republic, who let a Cairo mob burn down a U.S. Information Service library, and followed that insult by letting his jet fighters shoot down an American oil company airplane, boasts he sent arms to Congolese rebels and says he will continue doing so.

He now says Egypt can get along without the \$140 million in U.S. aid it receives.

Very well. If he can get along without it we shouldn't be giving it to him. He makes war on Yemen, he's constantly threatening war on Israel, and he's playing the Communist game by sending arms to the Congolese rebels. Take him at his word. He doesn't need American aid, so he says.

The notion advanced in the past by the State Department that we can, by subsidizing such charlatans, win them over to the side of the free world has been disproved time and time again. Consider Prince Norodom Sihanouk in Cambodia. Look at the record of Sukarno in Indonesia. Recall the days spent by the U.N.'s spokesmen of various undeveloped African nations in denouncing the United States and Belgium for rescuing their nationals, and those of other nations, from the savage Congolese rebels whom Nasser now boasts he has been and will continue to supply with arms.

There is a long list of similar happenings.

For some reason this aspect of U.S. foreign policy is no longer working the wonders it is supposed to perform. In far too many places it is producing the reverse effect.

Stop bolstering these nations with U.S. funds and they will flock into the Communist camp, so we are told. Maybe. In some instances that wouldn't be bad. The Soviet Union would have to support them as it now has to support Cuba.

U.S. aid has accomplished much good in some countries. It put Western Europe and Japan back on their economic feet. It has improved the lot of the people in others. But none of that offsets the fact it is an increasing mess in many others. Even in some nations in which it is not a mess the United States is getting the bad part of the bargain as a consequence of our own inept practices, especially propaganda ones.

And now, to top the absurdity of this situation comes Lt. Gen. Nguyen Khanh, commander of the military forces of South Vietnam, and maker and unmaker of governments in that land.

The United States has spent in excess of \$3 billion in South Vietnam in efforts to aid its government stamp out the Vietcong guerrillas who now dominate between one-half and two-thirds of the country. We are now spending more than \$1,500,000 a day in this same effort. We have approximately 22,000 American soldiers there, soldiers who act as trainers of the South Vietnamese Army and as advisers to it.

Still, the Saigon government is no match for the guerrillas who are equipped and supplied by North Vietnam and Red China.

We are losing that war. But we cling to our policies and practices despite manifest shortcomings. And now Khanh tells us he'll go it alone if we don't stop meddling. He can't. South Vietnam would disappear behind the Iron Curtain overnight if we pulled out. The general knows that. He's running another bluff.

President Johnson, who inherited most of these messes from his predecessor, did little to straighten them out during the year following President John F. Kennedy's assassination. Perhaps now that he's about to enter the Presidency in his own right he'll put an end to the constant vilification to which this Nation is being subjected by the vipers which we have too long nourished without complaint.

What they need is a striking object lesson; a demonstration, for example, of what would happen in Egypt if the United States took Nasser at his word and cut off aid.

[From the Washington Post, Jan. 4, 1965]

AID TURMOIL—RECIPIENTS GO BEYOND ABUSING UNITED STATES

(By William S. White)

International etiquette among foreigners generously aided by the United States has

sunk to a point almost beneath sight. It is necessary to remind these splendid characters that one really need not hit his grandmother with a spade to establish that he is beyond doubt absolutely independent and positively awash with self-respect and all that.

Indeed among the new year's resolutions made by the U.S. Government is a resolution to this effect: Perhaps we shall not be unduly sensitive to those aid recipients who merely curse us in three languages. But we really are going to be provoked—and we are going hereafter to show it to the extent of actually withdrawing assistance if nothing else will work—at those regimes which go beyond abusing us to condoning acts of arson against our embassies and of personal violence against our people.

There is a fed-up feeling here at a whole series of actions of a grotesque unthink and newspeak. President Nasser of Egypt finds his patience with us so exhausted that publicly he calls upon us to go to hell—though he uses an Egyptian variant of that expression—and to take our millions and millions of aid with us.

Colonel Nasser has had a dreadfully hard time from us. For years we have been forcing crude American dollars upon him—many of which he has been spending for arms in the Soviet Union—though we have at least been sensitive enough never to demand that he alter his habitually anti-Western policy line.

One also can well understand how right he is to be displeased with us for other reasons. After all, we go around in the United Nations daring to suggest that he ought to quit sending in arms to Chinese Communist-backed rebels who are trying to destroy the free government of the Congo.

Again, look at the intolerable American aggressions against which Malaysia has so courageously reacted. Here is an appalling situation in which old Uncle Sam has the crust to ask for interest on his loans. Such effrontery cannot go unpunished; the People's Action Front demands that American Peace Corps volunteers be expelled from the country to avenge Malaysia's honor.

Then there is Pakistan. A high official of the Pakistan Government publicly charges the United States with financing the campaign of Fatima Jinnah, the opponent of President Mohammed Ayub Khan. Not long ago this sort of violently offensive rhetoric would have been thought rude beyond any conceivable international usage. But this sort of thing has now regrettably become the more or less common coin of converse with the United States from among the weak and angry powers of the world.

One can to a degree understand if not condone it in the case of Pakistan.

Mr. Speaker, I now yield 5 minutes to the gentleman from New York [Mr. Celler].

Mr. CELLER. Mr. Speaker, this is no time for divided counsel. A crisis impends in South Vietnam. We must present to the world a united front in support of our President. There should not be the slightest doubt that the Congress does sustain our President. A vote against the pending motion to instruct is a symbol of our respect for our President's judgment.

A wise diplomat many years ago said: "We have no permanent allies, we have no permanent enemies. We only have permanent interests."

That has been illustrated many times. Germany, our erstwhile foe, is now our NATO ally. Japan, guilty of treachery at Pearl Harbor, is now our friend. France, our brother for decades, is now

ruled by General de Gaulle, who has soured on the United States and wants to elbow us off the sidewalks of Europe.

Parenthetically I offer the reason for his conduct:

Gratitude is a heavy burden
Our "interests" must be the lodestar of our policy

Friend today may be foe tomorrow. Foe now may some day become friend.

Our President knows well our basic interests. We can trust him.

Foreign policy, therefore, cannot be nailed down. Foreign policymakers should not be placed in any kind of mental straitjacket. Foreign policy must be governed by the wise discretion and the keen prescience that reside in the Executive.

The Executive and not the Congress is possessed of the daily dispatches from all over the world, the diplomatic pouch contents, the intelligence reports, the secret correspondence, direct communication with our ministers abroad—all of which are essential to the evaluation of foreign policy.

Beyond that, our foreign policy cannot refer to a single country only. Our foreign policy cannot be considered in a vacuum. It must be correlated with our attitude toward other nations. Thus the policy may become part of a global or hemispheric strategy. Congress cannot possibly evaluate such an elaborate process.

Does this mean that Congress must remain like dumb driven cattle, completely silent? Not at all. We can and should comment and criticize, but we should not seek to dominate or command. We properly, shall I say, admonished the Executive the other day in our reference to food to be sent or not to be sent to Egypt. We deprecated Nasser's nose-thumbing attitude. We registered some doubt as to whether U.S. aid to Nasser contributed to our peace and security.

The next move, I take it, is up to the President. If the President determines it is in the national interest to continue sending food to the United Arab Republic, it will be essential for the President to set forth in plain terms the reasons therefor. He must tell us why such aid will fortify instead of undermine the aims of our foreign policy. He must insist upon certain changes in the region of the Nile.

Every pharaoh has his Moses, and maybe Johnson will be a modern Moses in this regard.

There may be, particularly from the metropolitan area of New York, Members who are a little worried. Pressure groups have been after them over the weekend, and they may be a bit jittery. I hope they will not yield to that kind of pressure.

I would like to quote to them a statement made by President Lincoln after he was in the White House 6 months, concerning these pressure groups. He said:

If I were to try to read, much less answer, all the attacks made on me, this shop might as well be closed for any other business. I do the very best I know how—the very best I can; and I mean to keep doing so until the

end. If the end brings me out all right, what is said against me won't amount to anything. If the end brings me out wrong, 10 angels swearing I was right would make no difference.

I hope, therefore, with a resounding vote we shall vote down this motion to instruct and that we shall finally vote for the conference report.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Speaker, the gentleman from New York has indicated that we should not yield to pressure groups. He has not, however, indicated why he has changed his own position. I would not suppose it is due to pressure from the administration or elsewhere, but it is regrettable that we do not know why he should have changed his own mind.

As a member of the Committee on Foreign Affairs, I have gone along, ever since I have been in the Congress, with the idea that the Executive should be given a reasonable degree of flexibility. However, in this case I see no excuse and no justification for changing my own vote. In other words, I personally do not believe in this case that we should allow the Executive discretion.

The gentleman from New York has indicated that the next move would be up to the President, if we should continue to grant him discretion with respect to this situation. What could the President do, if we should grant him discretion in this matter? Surely he is not contemplating a deal with Nasser? The gentleman from New York suggested that foreign policy cannot be nailed down. But cannot Congress even try to help nail it down? I would suggest that it is entirely appropriate and in this case essential, for the Congress to assert itself. Congress should indicate its position clearly and unequivocally, and do it by reiteration if necessary as it appears to be today. The House should make plain that we do not feel, under the present circumstances, that the United Arab Republic should get this food.

As the gentleman from Illinois has pointed out, this is a limited kind of prohibition, entirely within the discretion of the Congress, and an appropriate action by the Congress of the United States.

I would suggest it is entirely unfounded to suggest, because of the unhappy situation in Vietnam or elsewhere, that we owe any obligation of any kind, whether we are Republicans or Democrats, to form a united front in support of our beloved President. Beloved he may be, but in this case I myself do not feel that he is entitled to any discretion in this matter. I shall so vote.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I rise in support of the motion to instruct the House conferees to insist upon

its amendment to the supplemental appropriations for certain activities of the Department of Agriculture.

This body, in a loud and clear bipartisan voice, expressed its will that the United Arab Republic should have no further aid under title I of Public Law 480. I strongly support that position, and urge that the House conferees be instructed to definitely reject the Senate position that discretion in this matter should remain with the President.

Under the Gruening-Javits amendment of 1963, and the Roosevelt amendment of 1964, the President was called upon to bar any aid to any country unless he could certify that it was not an aggressor against any nation with which we have diplomatic relations and was not using our funds for purposes inimical to our foreign policies.

May I make it absolutely clear that my action of today is not a contradiction or reversal of my amendment in 1964. It is insistence that that amendment be lived up to and proof that I meant exactly what I said then.

No Member of this body, nor indeed of the other, can doubt that the United Arab Republic is an aggressor against countries friendly to the United States. And none but the most naive can dispute that our furnishing of food to the United Arab Republic enables it to divert its own resources to the production of a vast arms industry and propaganda machinery with which it aids, abets and foments tumult in the Near East and Africa. Surely this is inimical to our foreign policies.

The expression of Congress is clear. The words of the statute are clear. The purpose and actions of the United Arab Republic are clear.

On December 28, 1964, I wrote to the President urging the administration to take immediate action to terminate all further aid to the United Arab Republic. This was prompted by continuing anti-United States statements and actions made and condoned by President Nasser; and his continuing aggression and adventurism in the Near East and Africa.

I had hoped that the administration would act decisively—that it would terminate Public Law 480 shipments to the United Arab Republic; and that its failure to do so would not force the Congress to act.

But Congress must now act. This issue does not involve a question of inherent Presidential power. It is a question of power to be exercised by the President only to the extent he is authorized to exercise it under a statute passed by Congress.

The other body has abdicated its constitutional duty to determine standards so far as foreign aid and agricultural legislation are concerned. This body must not abdicate and our conferees must be so instructed.

This country's commitment to the United Arab Republic under title I of Public Law 480 is conditioned upon the basic principle expressed in the Gruening-Javits and Roosevelt amendments. Today this aid to the United Arab Republic helps President Nasser carry out a foreign policy that shocks the free

world, a foreign policy of aggression, a foreign policy which, if we do not stop it, will fan the flames of a great war in that part of the world.

Mr. Speaker, we cannot escape the cold, hard fact that President Nasser has breached that underlying and all-important condition and basic principle of Public Law 480 aid. We cannot escape the clear conclusion that continued Public Law 480 aid to the United Arab Republic is illegal. We cannot escape the grave responsibility and necessity of barring any assistance under Public Law 480 to the United Arab Republic; for such aid indirectly helps President Nasser finance and wage his shocking foreign policy program.

I firmly believe that we can best protect our friends, and best serve our foreign policy interests by instructing the House conferees not to abandon or suffer any weakening of the House amendment.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Speaker, I rise to support the motion offered by the gentleman from Illinois.

The issue will be joined here today, and I urge my colleagues to vote in favor of this motion and return our foreign aid program to sanity and balance.

On previous occasions we have refrained from explicit wording in order to give the President and his executive instrumentalities the final discretion in determining whether certain countries will receive American assistance.

But the intent of the House has always been manifested, despite its hesitancy before questions of executive prerogative. During the debate in the Senate, we heard the argument that with our earlier amendment, the House was voicing an impulsive, intemperate judgment. I cannot agree. This issue has been debated in this Chamber and before committee time and time again—for many years; we have a great bulk of testimony; whether or not this Nation should aid President Nasser was an issue long before the burning of the John F. Kennedy library, before the shooting down of a U.S. commercial plane; before the large-scale intervention in the Yemen, before Nasser's boasts of arming the Congolese rebels; and before his most recent ugly denunciations of the United States.

We possess all the facts that are necessary to form a judgment, to take this honorable and positive step and set this Nation's course straight. We should vote unhesitatingly to affirm the House language.

On this supplemental appropriations bill we are talking about an additional extension of \$37 million in food to the United Arab Republic. I think it should be clear that in debating this issue we are not concerned with the Government's humanitarian efforts which, as I understand it, are channeled by both title II and title III.

We do not seek to terminate arbitrarily a charitable endeavor to meet hunger and emergency. Title I concerns the sales feature, and Egyptian currency is

what we receive in exchange, only it is meaningless to us.

Yes, Mr. Speaker, I think it is poor policy to assist a foreign country which pursues a course flagrantly at variance with our own interests in the Middle East and the world at large. That is the nub of the question. This has nothing to do with patience or the lack of it.

Let me highlight but a few points. The Egyptians have over 40,000 troops engaged in the Yemen; they are building an awesome offensive military force, spending hundreds of millions of dollars made possible, if you will, by our economic assistance programs which allow Nasser to divert his own resources for such purposes. And Nasser is materially supporting rebel forces in the Congo, where the United States seeks to strengthen the legal Congo Government.

I find the situation dangerous and disillusioning. The foodstuffs we have supplied is permitting the Egyptian Government to divert its resources toward engagements wholly contrary to the goal of peace, stability, and economic growth with we seek in the Middle East. For South Vietnam, we warn the Communists to let their neighbors alone; but in the Middle East, we appease those forces of chaos and foreign involvement and allow them freedom of action.

The State Department says this policy allows us to keep our foot in the door. I say bunk. I cannot accept for 1 minute the utter illogic of this policy.

It is time our so-called diplomats stopped this sphinxlike attitude and pulled their heads out of the desert sands.

Obviously our giving of aid to Nasser—more than a billion dollars—has not had any effect on his acts or aims. In fact, he is more defiant; more dangerous than ever.

Let the Department say how and where they have been able to win friendly relations with this Castro of the Nile. His radio Cairo has continuously spewed vicious anti-American venom. He votes consistently with the Soviet bloc in the U.N. He embraces the Red Chinese leadership and sings the praises of its regime. He subverts the governments of his fellow Arab States. He vows the complete destruction by force of friendly Israel. He leads a vicious boycott against American businesses. His attitude is more anti-United States than ever. His insults more repugnant.

Moreover, in perspective, the extension of aid to Nasser is undermining the legitimate rationale of our aid program. It is destroying the responsible and intelligent basis upon which we seek to aid the underdeveloped countries of the world.

More and more we are coming to realize that in response to our readiness to assist, recipients must take practical measures of self-help if our programs are to be really effective. Yet Egypt, because of its foreign entanglements, its international mischief which threatens the peace of the world, is not facing those stern domestic decisions which it is in her position to confront and which we should expect from her government.

Let me point out another thing. And this is important. The New York Times

reported that our Ambassador had conferred with President Nasser on February 1 to outline the administration's continued aid plan. On the other hand—while our Ambassador was giving such assurance, Under Secretary Ball has testified that the President may not carry it through, whatever the Congress does. Perhaps Nasser is more aware of what our Government intends to do than we are; a Times reporter said:

Experience tells me that what our diplomats tell foreign governments is reliable * * * and unfortunately often more so than what it tells the Congress.

For my part, I am sure of the position which we ought to take. That position must be in keeping with the validity of our foreign aid program, and it must complement our interests in the Middle East.

It is important now that we uphold a firm decision to halt the mockery of aiding the Egyptian Government under existing circumstances. I urge my colleagues to underline our previous action by supporting this motion, setting this country on a path of principle and enlightened judgment.

(Mr. HALPERN asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I should like to yield at this time to several members of the subcommittee who heard this matter in the first instance.

I yield first to the distinguished chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] for 4 minutes.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, several years ago I was in Budapest, Hungary, along with members of the staff of the Appropriations Committee. We had been in Poland and countries satellites of Russia. Upon my return here, the then President, President Eisenhower, announced, I believe in a speech at Cleveland, Ohio, that we would not fight nor support England and France in their fight to hold the Suez Canal. As a result Nasser forced the English and the French out and took over the canal. Three or four days later Russia moved in on Hungary and slaughtered great numbers of the Hungarian people. Prior to that Russian troops were pulling out of Hungary somewhat as they had in Poland. Apparently, when we would not support our allies in fighting to hold the Suez Canal, the Russians believed we would do nothing to defend Hungary. At any rate after President Eisenhower's speech, the Russian troops reversed their withdrawal and moved back on Budapest. The slaughter followed.

I do not know what the reaction of this country would be if, tomorrow, Nasser were to close the Suez Canal to our use. Do you? I do not really know.

May I say some of the things I do know?

The resolution to restore the capital impairment of the Commodity Credit Corporation was and is a "must" resolution.

We held hearings before the Committee on Appropriations was organized for that reason. I know this: There is an agreement that my friends on the left, my Republican friends, will get out by Wednesday night for Lincoln's birthday in order to make a series of speeches and what-have-you. I also know that if you do not restore the capital impairment of the Commodity Credit Corporation by Wednesday night, you will have hundreds of banks who today hold the discounted paper of the Commodity Credit Corporation, crying for the payment of the notes they hold, you are going to hear from them, and so is the economy of this country. Remember this Corporation is not just out of money, but is practically out of authority to borrow—and could be required to default on notes now outstanding. We do not have here a vote on the foreign policy of this Nation. Here we have an effort, in effect, to instruct conferees the second time on the same thing. The vote the other day was with respect to instructions to a degree. That has not been repealed or rescinded by this House. I know that this amendment or instruction does not cut off aid by grant or gift to Egypt, but it just says that you cannot sell them surplus commodities. The proponents have said that sections 2, 3, and 4 of Public Law 480 will let you give Nasser anything you want to under the terms of the act. This is a motion to instruct your conferees the second time on the same thing, and the first instruction was not effective when it was first written and it would be effective now. I think perhaps some of you may know what we would do if Nasser were to close the Suez Canal tomorrow, but I do not. I know what we did when we closed the door on France and England. In effect we told them not to fight but let Nasser take over. We told them, "You have to, because we are not going to back you up." The Hungarian slaughter followed in a very few days after that.

I am saying to you that if we go into conference and our hands are tied a second time and if the Senate is adamant, then you are going to have banks all over this country crying because you tied this restriction on a piece of important legislation. I am asking you to read this motion and you will see that there is nothing to it insofar as effectiveness is concerned except that you could get us all crossed up and do great damage to our economy, with not resulting benefit.

I urge you to vote against this motion, let us go to conference and work this matter out effectively with full information before us.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to another member of the subcommittee, the gentleman from Minnesota [Mr. LANGEN].

The SPEAKER. The gentleman from Minnesota is recognized for 5 minutes.

Mr. LANGEN. Mr. Speaker, I offer an amendment.

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Minnesota for the purpose of offering an amendment?

Mr. MICHEL. If that is his desire, yes.

The SPEAKER. The Chair will state that the gentleman from Illinois will lose the floor when he yields for that purpose.

Mr. MICHEL. Then, I do not yield to the gentleman for that purpose.

The SPEAKER. The gentleman from Illinois declines to yield to the gentleman from Minnesota for the purpose of offering an amendment.

Mr. MICHEL. Would the gentleman like to take the floor in support of what he might have done without actually doing it? If so, I will be glad to yield the gentleman 5 minutes.

The SPEAKER. The gentleman from Minnesota is recognized for 5 minutes for debate.

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Speaker and Members of the House, truly we have had some very pertinent debate as it relates to the question before us. There is, however, still one element with regard to the subject matter before us that has as yet had no discussion, for the other body in its wisdom also saw fit to attach amendment No. 4. Now, what does that deal with? It prevents the expenditure of money by the Veterans' Administration for the purpose of carrying out a directive recently issued by them, a directive which would result in the closing of some 11 veterans' hospitals and 17 service stations as well as veterans' homes.

I want to call this to the attention of the House because of the significance that it bears to thousands of veterans throughout the entire Nation. I know that many of you, just as I, have heard not only from the veterans in your district but from many outside of your district, as many Members have come to me and called it to my attention.

For that reason I would like to point out that the amendment adopted by the other body does bear some real significance. First of all, what a false move this is under the guise of economy. I am sure that while it was being considered in the other body ample consideration was given to all of its merits and its demerits. I am in no position to speak for the amendment in the sense of what it actually does in limiting service, except the one that serves my particular area. But I want to call attention to what it does in my area. And I am sure that the effect is much the same.

The closing of the service center there and limiting the conveniences and the services that it provides to veterans all through that district means that it will move these services several hundred miles farther away, if you will. All of you have had experience, as I have had, with emergency cases where transportation has been involved, and in which we have found that immediate attention was needed for those cases. The changes proposed by the VA means that they will now have to travel much farther, and it will be that much more inconvenient for them to get there, so that in many, many instances services

will not be rendered. Think too, of the additional cost involved, as well as both health and life being endangered.

For that reason I think it is well, as we are considering all of the items that relate to the question before us, that we give ample consideration to this item, too.

Mr. Speaker, in conclusion I am going to mention one further matter. I know that we register a unanimous concern for veterans and their problems in this House. Remember that in this instance they are asking no favors. They are not asking for any additional consideration by Congress. All they are asking is the very minimum request of letting them have what they have already got. I ask you in all sincerity, is that too much on their part?

I think we ought to sustain their plea in this matter and see to it that this amendment is kept in as a part of this resolution. It is regrettable that the parliamentary situation was such that my amendment could not be offered.

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Speaker, the United States has for too long allowed its policy in the Middle East to remain tied to the irresponsible actions of Gamal Abdel Nasser. In the mistaken belief that he represents the best hope for stability and progress in that important region of the world, we have provided the United Arab Republic under his leadership with hundreds of millions of dollars of aid. The Public Law 480 program for the disposal of surplus agricultural commodities alone has provided Egypt with over \$800 million in wheat, beef, and other foodstuffs.

In recent years and months, Nasser has become increasingly belligerent. Like all other petty tyrants, his actions grow bolder as the response from democratic countries becomes milder. Instead of concerning himself with the almost insurmountable domestic problems which Egypt faces, Nasser has taken it upon himself to actively interfere in the affairs of such varied nations as Yemen, the Congo, and even Iran. And, as if this were not enough, he has now insolently affronted the United States—informing us that he does not need nor particularly want our aid, and in effect telling us to go jump in the lake.

Mr. Speaker, I think it is quite obviously the feeling of the majority of the population of this country that we should not tolerate the insults and policies of Nasser any longer. Certainly we have given him sufficient warning that unless he stops his meddlesome interference in the affairs of others, we are not going to supply him with any more aid. Twice in the recent past we have passed amendments to other laws affecting our foreign aid procedures, both quite obviously directed to Nasser's Egypt. I think it is high time that we made it absolutely clear that the United States cannot and will not knuckle under to blackmail; that we are invoking the law of aggression.

The House amendment which we would like to see as law does not affect the

ability of the President to supply emergency food for humanitarian reasons under other titles of Public Law 480. It also does not prohibit the sale of our agricultural commodities for hard currency. Similarly, we in the House are not trying to legislate for the next fiscal year, nor have we attempted to permanently tie the hands of the President with respect to the conduct of foreign policy. Our aim is a simple and just one: 3 years ago we signed an agreement to provide Egypt with over \$390 million in surplus foodstuffs. We have delivered over \$350 million under that agreement. There remain 5 months and some \$37 million to go. We do not want to see the remainder delivered—and for a purpose: how else can we express the rage of the American public at the actions of a tyrant? How else can we express our own feelings of frustration at this tyrant's words and deeds?

Mr. Speaker, we are entitled under paragraph 5 of article I of the 1962 agreement to terminate it if, and I quote, "because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable." Clearly, I think, conditions have changed, making further delivery very undesirable. We here in Congress should not permit ourselves to be convinced that all actions heretofore taken are necessary or valuable. If we feel that the President is perhaps receiving poor advice in the conduct of our foreign policy in the Middle East, it is not only our right but also our duty to express the will of the American people as to what actions or policies our Government will adopt. Let us not pursue a policy in the Middle East that may lead to a crisis similar to that now existing in the Far East.

In this instance, Mr. Speaker, our path of action is clear: we must act. We must demonstrate to the world that the United States is not the impotent power in the Middle East which some have made us out to be. We must demonstrate to the world that we will tolerate neither the language nor actions of such despots as Nasser. We can at the present time best do this by severing our soft currency sales under Public Law 480 aid to Egypt for the remainder of this fiscal year. Tying our foreign policy in the Middle East to Egypt has provided us with a paucity of results. No wonder the Congress has reacted in the fashion it has heretofore. It is time for a change. Let us instruct the committee to stand by the House position.

(Mr. FARBSTEIN asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. RYAN].

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Speaker, I stand here in support of the position I took on January 26 when the House by a vote of 204 to 177 placed a limitation on the supplemental appropriation bill to prevent the use of funds appropriated by the supplemental for the sale of agricultural commodities to the United Arab Republic.

I said then that it was time for Congress to implement the policy declarations which we wrote into the Foreign Assistance Act of 1963 and Public Law 480 in 1964. The situation has not changed.

Nasser's belligerency is well known. I do not have to recite the record of his hostility toward Israel, the only democracy in the Middle East, or of his interference in the Congo or of his activities in Yemen—to say nothing of his contemptuous attitude toward the United States. The fact is that the assistance which Nasser receives under our foreign aid programs enables him to spend his resources on the ever spiraling arms race in which he is engaged. As I have said before, the United States must not underwrite this arms buildup.

This is not a new issue for the House. It is clear from the legislative history of the Foreign Assistance Act of 1963 and the extension of Public Law 480 in 1964 that the "aggressor nation" clauses of those acts were directed at the United Arab Republic. However, the "aggressor nation" clauses have never been implemented. Therefore, if the policy which we formulated is to have meaning, we must act.

Mr. Speaker, I support the motion to instruct the conferees.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MORSE].

(Mr. MORSE asked and was given permission to revise and extend his remarks.)

Mr. MORSE. Mr. Speaker, I rise in support of the motion to instruct the conferees with respect to the use of funds in this supplemental appropriation for the sale of surplus commodities under title I of Public Law 480 to the United Arab Republic.

I think that the principal issue in all of this has been lost sight of in the debate and in the press. The question is not one of Presidential discretion. The question is very simply as to whether we are going to assist a nation that has been actively and openly supporting aggressive military activities against another nation receiving our aid, in clear violation of the spirit of the Foreign Assistance Act as it now stands.

On December 23, speaking before the Arab Social Union in Port Said, President Nasser said:

This is our policy. It is a clear, well-known policy. We make it clear and public. We do not hide and have never denied that we have sent arms to the Congo. We say that we have sent arms to the Congo and will still send arms to it.

I think it is about time that we make our policy just as clear and well-known. The United States is not going to send assistance to aggressor nations. It is just that simple; it is essential if our stated belief in progress through order and stability is not to be a mockery.

In 1963 the House wrote section 620(i) into the Foreign Assistance Act. That section provides:

No assistance shall be provided under this or any other Act and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines is engaging

in or preparing for aggressive military efforts directed against—(2) any country receiving assistance under this or any other Act.

To my knowledge the command of the law has not been enforced by the President. The determination required of the President has not been made. It is not a difficult one. Nasser himself has made it very clear that aggressive military efforts are underway.

I do not believe the President's hands will be tied by the action proposed to be taken. This ban on sales of surplus commodities to the Nasser regime would apply only to title I. The ban will be in effect only until June 30. If the President, under section 620(i) can report to the Congress at that time that he has determined that the military efforts have ceased and that he has received satisfactory assurances that they will not be renewed, the ban can be lifted. Certainly there is no question of an infringement of Presidential discretion involved.

The reasons for the inclusion of section 620(i) in the Foreign Assistance Act are just as valid now as they were in 1963. Our report pointed out at that time that a nation which turns its resources and energies to the harassment of other nations reduces its own capacity for economic development and the betterment of life for its people. In addition, failure of the United States to prevent such activity will be only an indication that the United States tolerates, if not endorses, such aggressive activities.

I urge that the motion be supported.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the plight of the United States if the Suez Canal might be shut down, as mentioned by a previous speaker, I believe is appropriate in this discussion because it raises a fundamental question.

Must we keep on paying ransom, and that is what it would amount to, in order to keep the Suez Canal open? If Nasser will shut down the canal if we shut off the flow of handouts to his government, then I say the sooner we face the show-down the better.

The impending financial crisis of the Commodity Credit Corporation has a familiar ring. Every day the Commodity Credit Corporation is mentioned to this body, it seems to be a day of crisis. It was a crisis when the appropriation bill was presented to the House last week. It was a crisis the day when it was in the Senate. It is a crisis again today. I am sure the country is going to get by today's crisis, whether we act or not. I am sure the next time CCC is before this body, that too will be a day of crisis. I am just as sure that New York banks stand ready to discount the Commodity Credit Corporation paper—and thus relieve the new crisis—just as they have heretofore.

The motion to instruct, proposed by the gentleman from Illinois, will bring to our relations with Nasser a measure of the same proper posture we apparently are now taking toward North Viet-

nam. The attack on North Vietnam was long overdue, and in my book, this rebuke to Nasser is long overdue.

Finally, there is ample precedent for this kind of restrictive action. The initial act, establishing Public Law 480, prohibited sales to the Soviet Union and to all Communist bloc countries. The prohibition is still in effect. Last year the Congress saw fit to add Yugoslavia and Poland to the list of countries excluded from benefit under title I sales.

So there is indeed ample precedent for what I consider to be the very wise restriction proposed in the gentleman's motion.

Mr. MICHEL. Mr. Speaker, I am happy to yield 5 minutes to the distinguished majority leader [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, the situation in which we find ourselves today is one of the most confusing and difficult in my experience in the House of Representatives. But let there be no mistake about my position and the position of others of the leadership on this side of the aisle. We are supporting the President of the United States in this critical hour on a matter of utmost importance to our country.

Our friends on the other side have chosen to take advantage of a political opportunity. Some will call their move a cheap political trick. In my opinion, this misses the point. The course they have chosen is not just a case of naked political opportunism. It is more than just a cheap political trick. It is a course which was chosen despite consequences for the security of the United States and it violates the cardinal principle of American partisan politics which is "Will it hurt my country?"

Only yesterday, my good and distinguished friend, the gentleman from Michigan, the minority leader, sat in an extraordinary session of the National Security Council. He was a guest of the President who wanted his counsel on a critical foreign policy decision. I hope that our good friend, the gentleman from Michigan, will not today support an amendment which would endanger our national security and add to the burdens of the President by creating trouble in the Middle East.

Mr. Speaker, to vote for this amendment is to say to the President, "Mr. President, we want you to have flexibility to deal with the Vietnamese problem. We know you are the only one who can order American boys into combat. We know you are the only man who can push the button in a thermonuclear war."

"We know that you are entrusted with making life-and-death foreign policy decisions. But, Mr. President, we don't trust you to protect our interests in the Middle East."

The President recently made the following statement:

I judge it of the highest importance that the flexibility provided the President by the Senate version be sustained by the Congress and I hope the House of Representatives will accept the improvements made by the Senate committee and voted by the Senate because if we are to protect our vital interests in this part of the world where tensions are very high, then the President must have freedom of action to act in the best interest of all the people of this land.

Now the President did not just say that he hoped the House would support the more flexible language. He said he personally judged House support to be "of the highest importance." Those words, Mr. Speaker, are strong words. But, as for me, I shall never turn my back on any President—Democrat or Republican—when, in his opinion, the stakes are so high.

Mr. Speaker, this involves only the matter of supporting the President of the United States in the performance of his duties and responsibilities in the field of foreign affairs—not in his interest, not in the interest of the Democratic Party—but in the national interest of the United States.

Mr. Speaker, within the last 24 hours the President has shown firmness and strength in guarding the national security of the United States. He has shown beyond a shadow of a doubt that he can and will act decisively to defend the national interest. He has acted decisively and firmly in Vietnam. He can be depended upon to act decisively and firmly in the Middle East.

Mr. Speaker, I urge the House to vote down this motion.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Kentucky.

Mr. CHELF. As the gentleman knows, at a recent meeting of the steering committee of the House of Representatives on the Democratic side, we wholeheartedly subscribed to this doctrine.

I wish to say, as I see it, for what it may be worth, after my having been here for 20 years and after my having voted for the foreign policies of every President of the United States, irrespective of party, I am going to vote for President Johnson, because I believe that, today, this is a vote of confidence or no confidence in our Government at a critical hour in our country's history. I do not like Nasser or Sukarno any more than those of you who voted against the administration on January 26, but our estimation of these two "pirates" is not at stake here—the real test is simply whether we support our President at a time when trouble, doubt, suspicion, and fear embrace the world. We must uphold the President's hand—and now is the time to do it.

Mr. MICHEL. Mr. Speaker, before I yield to the distinguished minority leader, I wish to say, in answer to the distinguished majority leader relative to his comments with respect to political trickery, that if such a charge were properly leveled, then it surely would apply to the 76 members of his own party who joined me the first time we had the vote in the House. Further than that, I could very well have engaged in some low brow political trickery. I could very well have coupled my motion with a little thing having to do with the closing of VA hospitals, and so forth, but we are not going to be guilty on this side of engaging in that kind of so-called political trickery. This is a straight out-and-out motion on our part, made in good faith in keeping with our own personal convictions.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I wish to say to the gentleman that I said, "some may call this political trickery."

Mr. MICHEL. The RECORD will speak for itself.

Mr. Speaker, at this time I yield 5 minutes to the distinguished minority leader [Mr. GERALD R. FORD].

(Mr. GERALD R. FORD asked and was given permission to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Speaker, I say without hesitation or qualification that the motion, if it is approved—if it receives a majority of the votes—will help, not hinder, the President of the United States.

In response to the statement made by my good friend the majority leader, it is perfectly true that I attended a meeting with the President yesterday, and I attended one this morning with the President and other congressional leaders. At both meetings, I told the President personally that I fully endorsed the action which was taken by him; and, furthermore, I have told the public that I fully endorse the action taken by this Democratic administration in reference to Vietnam.

But what we decide to do in Vietnam, individually and collectively, has no relationship whatsoever to a vote on this motion involving a completely different area of the world.

In my judgment this motion, if approved—and it is in the same language we approved on January 26—will not tie the hands of the President of the United States.

We know that this is applicable only to title 1 of Public Law 480. The President may, under titles 2, 3, and 4, make donations for humanitarian reasons or otherwise, to the people of and to the nation of the United Arab Republic.

Under no circumstances is this motion against the people—the people, I emphasize—of the United Arab Republic. We, in our typically American humanitarian way, can proceed, through action by the President, to make surplus agricultural commodities from this country available to the people of the United Arab Republic.

Furthermore, under existing legislation the President does have the authority under the foreign aid program to help and assist the United Arab Republic and its people, if he believes that is in our best interests.

So let us lay aside once and for all the feeling that this motion in any way whatsoever will handicap the prosecution of a foreign policy by our President.

On January 26, we spent a good part of a day discussing the pros and cons of the amendment which was included in this appropriation bill.

Anyone who is objective, after reading the debate, cannot help but come to the conclusion that the actions of Mr. Nasser warranted the kind of action that the House of Representatives took on January 26. I see no change in conditions between January 26 and today,

February 8. The conditions that prevailed then prevail today. I say to you that it will be a little difficult, perhaps, for some people to explain, if they voted for this amendment on January 26, how they can, less than 2 weeks later, make a decision to vote differently today. I wonder how any explanation could be made. Nothing has intervened in the time between January 26 and today to warrant a change of vote.

It seems to me that if you read this RECORD—and it has been repeated today by the gentleman from California [Mr. ROOSEVELT], the gentleman from New York [Mr. FARSTEIN], and the gentleman from New York [Mr. HALPERN]—these men have documented sound reasons why we should reiterate what we decided to do by a rather overwhelming majority on January 26.

Yes, the United Arab Republic is inviting itself actively in Yemen. The United Arab Republic is inviting itself actively in helping forces that are opposing the best interests of the United States in the Congo. And, we are all familiar with the sad and tragic day when the United Arab Republic did nothing to prevent the sacking of the John F. Kennedy Memorial Library in that nation.

I say to you again and most firmly that a vote for this amendment will help and not hinder the President and will be beneficial and not detrimental to the foreign policy of the United States.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the distinguished chairman of our Committee on Appropriations, the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, as the relatively new and inexperienced chairman of the Committee on Appropriations, I would very much regret to see the House, on the very first appropriation bill of the year, instruct the House conferees even before they have had an opportunity to go to conference and try to work out the differences. I say especially to the new Members that perhaps every 3, 4, or 5 years this unusual type of action is taken, but certainly it is a very rare thing. To send us over to the conference as second-class conferees, so to speak, would not be wise. The prestige of a group representing the House is to some extent involved. That would be true no matter what committee might be involved.

Now, if you had to say that, "this is the only chance I have to express my views on aid to Egypt and on the sale of surplus food to Egypt," that would be a different proposition. But I say to you that there will be another vote on this specific issue of sale of surplus foods to Egypt when the conference report comes back. There will be another vote.

My able and eloquent friend, the gentleman from Michigan [Mr. FORD], said that nothing has intervened since the House voted on this matter on January 26, and that if you voted to recommit at that time then you should vote to instruct the House conferees now. This is wholly irrelevant to the point. It is not unheard of to vote against instructing

conferees when one might very well agree with the views of those who wished to instruct.

But has anything intervened? Of course something has intervened. The other body has put in a different version of the so-called Nasser amendment; a version that was not before you when you voted on the original motion on January 26. Just a while ago, the House disagreed to the Senate amendments—all of them. So in a sense we have already been instructed to follow the position of the House. Insistence of the House version is therefore our first position when we go to conference. If the other body refuses, as I feel certain it is likely to do, then we will have to seek some settlement other than the House version.

The eloquent and able leader on the Republican side of the other body, Senator DIRKSEN, voted to repudiate the position taken by 100 percent of the Republican Members who voted in the House on the original so-called Nasser proposition on January 26. And he is no babe in the woods in the matter of foreign affairs. He took the position that the Senate version of the so-called Nasser amendment is preferable.

So I do not believe that you are going to say to your conferees, you should not say, "We will not give you a chance to confer, we will downgrade you to the position of second-class conferees." I am confident you will not do that.

Let me say further: How did we get into this situation? We got into it pretty much by reason of the firm policy of the President with respect to Mr. Nasser. We have cut our other aid to the United Arab Republic to virtually nothing in the last 18 months. The President has been tightening up in that respect. We had sold to the United Arab Republic about \$432 million worth of our surplus foods and then Mr. Nasser indicated that he wanted a new agreement to begin on this coming July 1, at the end of the present agreement. We have actually delivered 92 percent under the old agreement. Now he has indicated that he wants to renew this agreement. And what did he get? He got a resounding no, as I understand it, until at least his actions and his attitudes with respect to our interests are changed. All our consultations on aid questions with the United Arab Republic are at a complete standstill.

Our attitude with respect to further sales of surplus food to the United Arab Republic beyond July 1 next apparently infuriated Mr. Nasser. And so he made some statement adverse to the United States. But what I am trying to say is that your Government now, with respect to Mr. Nasser and with respect to aid to Egypt, is following a firm policy. This pending amendment does not say that we cannot give them or grant them food. It only says that we cannot sell them surplus food—not even the last 8 percent or so that we agreed to as part of the October 1962 agreement.

I think we would all agree that our Government was right in indicating that a further agreement with Nasser to supply surplus food should not be made. I,

for one, certainly feel that a tough policy with Nasser is desirable. I feel that unless Nasser changes his conduct we should not make any further commitments to supply him with anything.

My view is that unduly restrictive congressional action at this time in this delicate situation is not in the best interests of the United States. A continent is involved, the Arab world, the Suez Canal, and the oil rich Middle East. The President has asked permission to have the full authority to negotiate and handle relations with Egypt in this delicate and explosive situation. It appears to me to be in the best interests of the United States to let the President try to handle the problem for a time. I am supporting the President in this position.

So I say to you that in my judgment you should vote not to instruct the conferees because, in the first place, it is a slap at the conferees; in the second place, it is not necessary in order to express your view because you will have an opportunity later; and in the third place, we ought to preserve our ability to meet whatever situations may arise in conference to the fullest extent possible.

The SPEAKER. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. CALLAN. Mr. Speaker, I rise in opposition to this amendment. This Nation cannot afford to experiment politically with a dangerous and explosive situation. How can we say, "Mr. President, you cannot sell surplus food to Egypt for 5 months, even though we made a contract for sale in 1962, but if you want, you can give it to them."

Mr. Speaker, no one in this body condones the recent actions of Mr. Nasser. It is, however, dangerous and irresponsible for this body to force the President of the United States into a position of reducing his means of negotiation in foreign affairs.

Mr. RUMSFELD. Mr. Speaker, I rise to reiterate my full support of the motion by the gentleman from Illinois [Mr. MICHEL] to instruct the House conferees to stand firm by the House position to call a halt to the continuing flow of aid to the United Arab Republic under Public Law 480.

I supported this effort last year, and again this year I urged such action by the House. On a number of occasions during recent years and months I have spoken out on this matter and inserted pertinent material in the RECORD.

I congratulate the gentleman from Illinois for his leadership in this important matter and trust the motion will pass overwhelmingly.

Mr. SCHMIDHAUSER. Mr. Speaker, Americans cannot afford to play paltry politics with the President of the United States while we as a nation face so many threats of aggression throughout the world. Gamal Abdel Nasser rates among the vilest of dictators in modern times. Like many thoughtful Americans, I resent his attack upon the honor and the integrity of the United States. But despite my resentment of his actions, I do not intend to weaken the constitutional authority of the President of the United States in a time of so

many crises throughout the world. Nor do I have any intention of carelessly mixing a completely domestic issue into the delicate field of foreign affairs.

Therefore, I am proud that the House of Representatives supported the President today. And I am pleased that we have acted with promptness in continuing our vitally essential feed grains program.

Mr. HANSEN of Iowa. Mr. Speaker, it seems abundantly clear to me that the action taken by this body on January 26 needs to be remembered. We voted on a major policy matter as though it were of little consequence.

I am sure that most of the Members of this House are opposed to the policy, program, and manners of Mr. Nasser. But this does not give us any excuse to take this opposition out on President Johnson. If the President is to have responsibility for the foreign policy of this Nation, then we must not enact legislation that would hamstring him.

It is not considered responsible statesmanship to play politics with a matter so important to our Nation as the conduct of foreign affairs. I do not want to be guilty of tying the hands of the President of the United States in the matter of foreign policy, and it is reasonably certain that most of the Members of this body do not wish to do this sort of irresponsible thing.

Whether or not the President always makes the right decision is a matter of opinion, but I do not wish to make his task more burdensome by this kind of nuisance legislation. President Lyndon Johnson is to be commended for his far-sighted attitude toward our natural treasures as revealed in his message to Congress on the subject of natural beauty.

It is becoming more and more important that the beauty of recreational areas be a part of all our daily lives and that these areas be dispersed over the land so that all will have easy access to them, irrespective of his or her point of residence.

With the continued stepup of stress and tensions in our modern business and social lives, our people need an increasing amount of recreation and relaxation available to them in order that they might maintain the high efficiency that modern procedures demand of them.

The sort of thing the President proposes is a true development of the natural resources that will contribute to the economic and social good of our Nation.

Mr. WOLFF. Mr. Speaker, I am unalterably opposed to aid to Egypt just as I am opposed to aid to Sukarno and his ilk. Those that would extend their hand to us for aid; then thumb their nose with this same hand do not deserve our assistance.

I would hope that the President shares this view and this be our policy in foreign affairs. But this motion burrows deeper than aid and restrains the President in the conduct of his duty to the American people.

I cannot permit this appeal to emotion to inhibit the freedom of action of our President and put into jeopardy our national security. I am, therefore, opposed to the motion.

Mr. LENNON. Mr. Speaker, on January 26, U.S. House of Representatives, under its constitutional legislative responsibility, voted to cut off shipments of surplus foods under current contracts to the United Arab Republic. This action reflected a growing resentment toward the questionable practice of attempting to buy friends with foreign aid.

Only 5 days after President Nasser of the Arab Republic angrily denounced the United States, the Department of Agriculture issued an authorization for shipment of some \$14 million worth of wheat to the United Arab Republic. Under this arrangement, the United States pays cash for the wheat in the open market, ships it to Egypt where Nasser pays for it—not in dollars—but in Egyptian pounds to be spent there as part of the foreign aid program. Total cost of aid to Nasser in the past 10 years has been \$1.1 billion. What has this fantastic sum bought?

Last month a Cairo mob burned the U.S. Kennedy Memorial Library, an unarmed commercial plane was shot down, and Nasser continued to supply the Congolese rebels and to pursue a policy of aggression, while asking for additional aid.

Under the 1963 Foreign Assistance Act, the President was directed by Congress to withhold economic aid, as well as food-for-peace aid from any nation committing aggressive acts against another country receiving our aid. It is time for vigorous action and firmness in foreign policy by our Government. It is time to discontinue underwriting nations who show no respect for the United States. As President Johnson in his recent state of the Union message declared—"the community of nations requires mutual respect. We shall extend it—and we shall expect it."

My previous vote and my vote today to ban the current aid program to the United Arab Republic reflects my conviction that now is the time to act in the best interest of America.

Mr. MOORHEAD. Mr. Speaker, it is my position that the United Arab Republic should get no more aid from this country, but I also believe that the Congress is not the branch of Government which should make this diplomatic decision. Diplomatic maneuvers cannot be legislated and in his conduct of foreign affairs of this Nation the President should not have his hands tied by inflexible legislation.

In support of this position I ask unanimous consent to include an editorial from the Washington Star dated February 1, 1965, and an article by Drew Pearson in the Washington Post dated February 1, 1965, as follows:

[From the Washington (D.C.) Star, Feb. 1, 1965]

THE HOUSE ON NASSER

President Nasser of the United Arab Republic has asked for the action that our House of Representatives, by a vote of 204 to 177, has taken against him. The action, if the Senate follows suit, will put an end to the sale of surplus American food sorely needed in Egypt.

The vote, of course, would not have occurred if Nasser himself had not invited it. He did so by delivering a speech, just a few weeks ago, in which he declared, in effect, that the United States would be well advised

to jump in the lake with its aid. Like President Sukarno of Indonesia, he thus put himself on the list of irritating people nominated for oblivion on Capitol Hill. And this is the more true because of the way in which he has tolerated mob action against a USIS library in Cairo, and supported pro-Communist military intervention in the Congo.

We happen to agree that Nasser should get no more aid from this country. But—and it is a big but—we also agree with Secretary of State Rusk that Congress is not the branch of Government which should make this decision. The President should not have his hands tied in advance by the type of inflexible legislation that has just been enacted. He, not Congress, is responsible for the conduct of foreign affairs, and the granting or withholding of aid is an important element of our diplomacy.

The Senate, when it gets around to the matter, will be rendering good service if it reverses the House action. It can do this in a manner that does not absolve Nasser. What is important is that the State Department and the President be permitted the flexibility essential to diplomatic maneuver in a difficult world.

[From the Washington (D.C.) Post, Feb. 1, 1965]

NEW FOOD-TO-EGYPT DEVELOPMENTS (By Drew Pearson)

Some hectic backstage developments contributed to the administration's defeat on sending surplus American food to Egypt. Some of these are continuing, as the Senate prepares to vote on whether to override the House.

Development No. 1 was an erroneous newspaper column which stated that Myer Feldman, White House adviser on Middle East matters, "was blocked off from the administration's recent decision" regarding food for Egypt; that Feldman was "excluded from the White House decision"—by McGeorge Bundy—not to suspend food shipments to Nasser.

The real fact is that Feldman and Bundy are good friends, consult with each other frequently. Though Feldman didn't attend the reported meeting, he did concur in the decision.

SEES U.S. ROLE USEFUL

Actually, he went much further and, speaking January 10 before a meeting of United Jewish Appeal, told 1,000 Jewish leaders that it was in the best interests of the United States and Israel that food shipments be continued to Egypt.

Feldman argued that if we did not continue friendly relations with Egypt, Egypt would swing toward the Communist camp; also that peace between Israel and the Arab world depended upon a broker, which the United States could continue to be. He pointed to the useful role of the United States at the first Arab summit conference in persuading Arab leaders not to attack Israel over the diversion of water from the Sea of Galilee.

However, Congressmen who voted to curtail food shipments had read the erroneous column, did not know Feldman's real position.

FOOD CONTINUANCE URGED

Development No. 2 was a cable from U.S. Ambassador Walworth Barbour in Israel, who reported that Nahum Goldman, the American Jewish leader who is now president of the World Zionist Organization, had urged Ambassador Barbour strongly not to discontinue food to Egypt.

Development No. 3 was Nasser's explanation that the burning of the American library in Cairo was instigated by Chinese Communists who distributed oil-soaked rags to rioting students. Nasser is prepared to pay \$500,000 for the rebuilding of the library.

Development No. 4 was Nasser's explanation

that the American oil company plane shot down over Egypt had the exact configuration of an Israel fighter plane, furthermore was definitely over Egyptian territory. He reported that the plane was not shot down hurriedly, but failed to answer Egyptian challenges.

PEARSON IN EGYPT

When this writer was in Egypt and Israel last summer, I reported that Nasser was following a policy of undercutting the United States in many areas. He has persuaded the Libyan Government to cancel the lease on the giant U.S. air base at Wheelus. He tried to persuade Haile Selassie, unsuccessfully, to cancel our communications base at Kagnew in Ethiopia. He has maintained 40,000 Egyptian troops in the Yemen, aimed primarily at American oil companies in adjacent Saudi Arabia. Since then, he has been sending arms and men into the Congo to support the Congolese rebels.

In Israel, I talked to the top leaders of that Government, asked them pointblank about the American policy of sending food to Egypt. Their reply was interesting.

They said: "After all, this food is for people. It's not for the Egyptian Government. And we have no quarrel with hungry people."

Mr. DICKINSON. Mr. Speaker, I was very pleased when a few days ago, a majority of my colleagues in this distinguished body, by a vote of 204 to 177, attached a rider to an appropriation bill which had the effect of requesting the President of the United States to withhold any further aid to the United Arab Republic. Now, the Senate has refused to accept this amendment. If the amendment did nothing else, it put us on record as to the sentiments of the American people.

I strongly urge the House members of the joint conference on this amendment to stand firm in their efforts.

To me it is unthinkable that the American taxpayer should be asked to give 1 more cent to Dictator Nasser or to assist him in any manner. We have already stood by while our Nation has been subjected to the insults of this pro-Communist dictator. We have watched the uprisings in Africa kill thousands of innocent people, many of them American citizens and these uprisings were, in fact, financed in part by Nasser's sales of our surplus foods to buy guns and ammunition for Congolese rebels. Certainly the American people cannot be asked to contribute further to these infamies.

Mr. Speaker, the American people are a generous people. We have great sympathy for the unfortunate people of Egypt under this dictator's heel. But how much of this surplus food actually goes to these unfortunate people? From the amount of aid that Nasser is able to give the Communists in Cyprus and the tremendous burden of maintaining his forces on the Yemen border, it appears to be very little.

We know, too, of the suppression of news in the United Arab Republic. There is no doubt in my mind that whatever minute amount of our surplus food does trickle down to the unfortunate United Arab Republic citizen, he certainly does not know its source.

We have been told by the State Department that we will be blamed in the Far East and Middle East press for starving the people of Egypt.

Mr. Speaker, how can we be blamed for

this if we have never been given credit for feeding them in the first place?

Mr. Speaker, I voice the sentiments of myself, my district, my State, and the people of the United States when I say we should unanimously approve the motion to instruct the conferees to reject the Senate amendment.

Mr. GOODELL. Mr. Speaker, I want to take this opportunity to express my profound regret that the Democratic leadership, through a parliamentary maneuver, prevented the membership from voting on whether to instruct the conferees to keep the Veterans' Administration from using certain funds to close down a number of its facilities.

I firmly believe there would have been an overwhelming vote against President Johnson's plan to close these installations, a move I consider to be heartless and based on false economy.

One such installation—the Bath, N.Y., VA Center—is located in my congressional district.

Certainly such a major step as has been ordered by the President should not be carried out without full hearings in both the House and the Senate.

Mr. MICHEL. Mr. Speaker, I want to say in conclusion that it is not unique for us to instruct conferees, in either body for that matter. One need only to look at the makeup of who the conferees may be and how they voted the first time around to know what will happen in compromising the position of the House. What I am trying to do is to take the distinguished chairman of the committee, the gentleman from Texas [Mr. MAHON], and others who will serve as conferees, off the hook by giving them a sound, resounding vote of the House again to back up our position.

I urge Members of the House to support the motion.

Mr. GROSS. Mr. Speaker, as other speakers have previously noted nothing has occurred in the few days that have elapsed since the House of Representatives, by a 27-vote margin approved an amendment making it the sense of Members of the House that aid to Dictator Nasser be ended.

Why should Nasser be given one thin dime, either in cash or agricultural commodities, as long as he thumbs his nose at the United States and tells us to "go to hell"?

It will indeed be interesting to note how the Members of the House vote today on this issue. It will be especially interesting to note the results of President Johnson's arm-twisting tactics.

The SPEAKER. All time has expired.

Mr. MAHON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Illinois.

The question was taken; and the Speaker announced that the "noes" appeared to have it.

Mr. MICHEL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 241, not voting 29, as follows:

[Roll No. 10]

YEAS—161

Abbutt
Adair
Anderson, Ill.
Andrews,
George W.
Andrews,
Glenn
Andrews,
N. Dak.
Arends
Ashbrook
Ashmore
Ayres
Baldwin
Bates
Belcher
Bennett
Berry
Betts
Bingham
Bolton
Bow
Bray
Brock
Broomfield
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Byrnes, Wis.
Callaway
Cameron
Carter
Chamberlain
Clausen,
Don H.
Clawson, Del
Cleveland
Collier
Colmer
Conable
Conte
Cramer
Cunningham
Curtin
Curtis
Dague
Davis, Wis.
Derwinski
Devine
Dickinson
Dole
Dorn
Dowdy
Downing
Duncan, Tenn.
Dwyer

Edwards, Ala.
Ellsworth
Erlenborn
Farbstein
Findley
Fino
Fisher
Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Gilbert
Goodell
Griffin
Gross
Grover
Gubser
Gurney
Haley
Hall
Halleck
Halpern
Hansen, Idaho
Harsha
Harvey, Ind.
Harvey, Mich.
Horton
Hosmer
Hutchinson
Jarman
Johnson, Pa.
Jonas
Keith
King, N.Y.
Kunkel
Langen
Latta
Lennon
Lindsay
Lipscomb
Long, La.
McClory
McCulloch
McDade
McEwen
MacGregor
Mailliard
Marsh
Martin, Ala.
Martin, Nebr.
Mathias
May
Michel
Minshall
Mize
Moore
Morse
Morton

Mosher
Nelsen
O'Hara, Ill.
O'Konski
O'Neal, Ga.
Passman
Pike
Pirnie
Poff
Pool
Quile
Quillen
Reid, Ill.
Reifel
Reinecke
Rhodes, Ariz.
Robison
Rogers, Fla.
Roosevelt
Rosenthal
Roudebush
Rumsfeld
Ryan
Satterfield
Saylor
Scheuer
Schneebeli
Schweiker
Secrest
Senner
Shriver
Skubitz
Smith, Calif.
Smith, N.Y.
Springer
Stafford
Stanton
Stratton
Talcott
Teague, Calif.
Thomson, Wis.
Tuck
Tupper
Utt
Waggonner
Walker, Miss.
Walker, N. Mex.
Watkins
Weltner
Whalley
Widnall
Wyatt
Wydler
Yates
Younger

NAYS—241

Adams
Addabbo
Albert
Anderson,
Tenn.
Annunzio
Ashley
Aspinall
Bandstra
Barrett
Beckworth
Boggs
Boland
Bolling
Bonner
Brademas
Brown, Calif.
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Callan
Carey
Casey
Celler
Chelf
Clark
Clevenger
Cohelan
Conyers
Cooley
Corman
Craley
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Denton

Diggs
Dingell
Donohue
Dow
Dulski
Duncan, Oreg.
Dyal
Edmondson
Edwards, Calif.
Evans, Colo.
Everett
Fallon
Farnsley
Farnum
Fascell
Felghan
Flood
Flynt
Fogarty
Foley
Ford,
William D.
Fountain
Fraser
Friedel
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaino
Gilligan
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Grelgg
Grider
Griffiths
Hagen, Calif.
Hamilton

Hanley
Hanna
Hansen, Iowa
Hansen, Wash.
Harris
Hathaway
Hawkins
Hays
Hébert
Hechler
Helstoski
Henderson
Hicks
Holland
Howard
Hull
Hungate
Huot
Ichord
Irwin
Jacobs
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Kornegay
Krebs
Leggett
Long, Md.
Love
McCarthy

McDowell
McFall
McGrath
McMillan
McVicker
Macdonald
Machen
Mackay
Mackic
Madden
Mahon
Matsunaga
Matthews
Meeds
Miller
Mills
Minish
Mink
Moeller
Monagan
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murray
Natcher
Nedzi
Nix
O'Brien
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Ottinger
Patman
Patten

Pepper
Perkins
Philbin
Pickle
Poage
Powell
Price
Purcell
Race
Randall
Redlin
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roush
Roybal
St Germain
St. Onge
Schisler
Schmidhauser
Scott
Selden
Sickles
Sikes
Sisk
Slack
Smith, Iowa

Smith, Va.
Staggers
Staibbaum
Steed
Stevens
Stubblefield
Sullivan
Sweeney
Taylor
Teague, Tex.
Tenzer
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Todd
Trimble
Tunney
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Watts
White, Idaho
White, Tex.
Whitener
Whitten
Willis
Wilson,
Charles H.
Wolf
Wright
Young
Zablocki

NOT VOTING—29

Abernethy
Baring
Battin
Bell
Blatnik
Brooks
Burton, Utah
Cahill
Cederberg

Clancy
Corbett
Evins, Tenn.
Gibbons
Hagan, Ga.
Hardy
Herlong
Holfield
Laird

Landrum
Martin, Mass.
Murphy, N.Y.
Pelly
Pucinski
Shipley
Toll
Williams
Wilson, Bob

So the preferential motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Baring for, with Mr. Evins of Tennessee against.

Mr. Laird for, with Mr. Shipley against.

Mr. Pelly for, with Mr. Toll against.

Mr. Burton of Utah for, with Mr. Holfield against.

Mr. Gibbons for, with Mr. Brooks against.
Mr. Corbett for, with Mr. Murphy of New York against.

Mr. Cahill for, with Mr. Blatnik against.

Until further notice:

Mr. Pucinski with Mr. Cederberg.

Mr. Hardy with Mr. Clancy.

Mr. Abernethy with Mr. Battin.

Mr. Herlong with Mr. Bell.

Mr. Landrum with Mr. Bob Wilson.

Mr. Williams with Mr. Martin of Massachusetts.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs MAHON, THOMAS, WHITTEN, NATCHER, BOW and MICHEL.

COMMITTEE ON APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tomorrow to file a conference report on House Joint Resolution 234.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD on the resolution, House Joint Resolution 234, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HON. ELMER J. HOLLAND

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I take this time to call the attention of the House to the fact that one of its most beloved and courageous Members left a sick bed this morning to come here in line of duty. I join all Members of the House in welcoming back to the floor our beloved and distinguished colleague, the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. Speaker, this demonstration certainly testifies to the affection which the House has for the gentleman and the gentleman's conduct in coming back today demonstrates to the country the fidelity of Members of the House toward the duties of their office. We commend the gentleman and we appreciate and admire his great courage.

DISTRICT OF COLUMBIA

The SPEAKER. This is District of Columbia day. The chair recognizes the gentleman from South Carolina [Mr. McMILLAN], chairman of the Committee on the District of Columbia.

GENERAL LEAVE TO EXTEND

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that Members have the privilege of inserting their remarks in the RECORD following the passage of each of the bills I shall call up today.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

DISTRICT OF COLUMBIA CANINE CORPS

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 1064) to authorize the acquisition, training, and maintenance of dogs to be used in law enforcement in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioners of the District of Columbia, acting through the Chief of Police of the Metropolitan Police force of the District of Columbia, are authorized to acquire, train, and

maintain as many dogs as may be necessary to be used in connection with law enforcement in the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill, H.R. 1064, is to authorize the expansion of the Canine Corps of the Metropolitan Police force.

The use of dogs in urban police work originated in Belgium more than 50 years ago, and has since spread to many other countries. Today, more than 40 police departments in the United States are utilizing dogs in patrol work, and the number is increasing very rapidly.

The Canine Corps was first established in the District of Columbia in December 1959, and on April 19, 1960, six dogs went on the streets of the city with their handlers. By the end of that year, the number had increased to 20 such teams, and today the corps consist of 84 dogs on the streets and 6 more in training, for a total strength of 90.

The effectiveness of the Canine Corps as an arm of the Metropolitan Police Department may be evaluated from the following statistics for the calendar year 1964. During this period, there were approximately 75 man-dog teams patrolling the streets of Washington, D.C.

	Arrest with use of dog	Arrest without use of dog	Total
Housebreaking.....	232	148	380
Robbery.....	103	40	143
Assault.....	67	82	149
Larceny.....	50	39	89
Homicide.....	1	1	2
Destroying private property.....	3	10	13
Rape.....	7	1	8
Unauthorized use auto.....	17	37	54
Drunk and disorderly.....	52	163	215
Total.....	532	521	1,053

Thus, more than half of all the arrests made in these categories during that entire year were accomplished with the use of trained dogs. In addition to their actual participation in these arrests, the dogs of the canine corps have proved invaluable on many other occasions by the deterrent effect of their mere presence at the scene of actual or potential trouble. The dogs' keen sense of smell enables them to locate fugitives hiding in buildings, junkyards, and other places where the policemen would otherwise have a most difficult and dangerous task in apprehending them.

Your committee is informed that for several reasons any program of expansion of the corps cannot be made to proceed too rapidly. First, the recruitment and selection of the dogs must be accomplished carefully and deliberately. Then the training itself takes 14 weeks, and the nature of the training work forbids too large groups. In this connection also, each dog is assigned to one particular man, and this patrolman and his dog must be trained together. Thus, any rapid acceleration in the training program would take too many patrolmen off their regular beats at one time, to the detriment of law enforcement in the city.

In addition, each man-dog team in service must be brought back for 1 day of refresher training every 2 weeks. For these reasons, the police department estimates that not more than 25 new dogs be acquired, trained, and added to the corps each year.

Thus far, all the dogs in the canine corps have been donated, and thus have cost the police department nothing. However, if the contemplated program of expansion necessitates the purchase of any of the new dogs, it is estimated that they may cost as much as \$250 each. An item of expense is involved in the fact that the policemen who handle these dogs must transport them daily in their own cars, and also must keep the dogs at their homes. This calls for fenced yards and extra cleaning. Also, most of the work of these policemen must be performed at night. For these reasons, these men are paid additional compensation in the amount of \$580 per year, as grade 2 technicians.

The cost of adding 10 man-dog teams to the present canine corps is estimated to be \$21,500. This includes the patrolman's extra compensation as a technician, and the food and veterinary care for the dogs, but not any cost of purchase.

For the present fiscal year, the appropriation to the Canine Corps is \$95,388, which is sufficient to bring the corps to a strength of 100 man-dog teams. Enactment of H.R. 1064 would provide legislative authorization for this and any further expansion of this corps, which has proved such an invaluable asset to law enforcement in the District of Columbia, which future need may dictate.

This bill is identical to H.R. 1935 of the 88th Congress—House Report No. 76—which passed the House on March 11, 1963.

The following letter, written by the Commissioners of the District of Columbia in the last Congress, expresses their endorsement of this proposed legislation:

GOVERNMENT OF THE DISTRICT OF
COLUMBIA EXECUTIVE OFFICE,
Washington, February 25, 1963.

Hon. JOHN L. McMILLAN,
Chairman, Committee on the District of Columbia, U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. McMILLAN: The Commissioners of the District of Columbia have for report H.R. 1935, 88th Congress, a bill to authorize the acquisition, training, and maintenance of dogs to be used in law enforcement in the District of Columbia. The bill authorizes the acquisition of as many dogs as may be necessary for police use. The police force now has approximately 70 dogs, most of which are on active duty. Some are still in training.

The Commissioners recognize that the man-dog teams of the Canine Corps of the Police Department have compiled an excellent record of crime detection and prevention since they first appeared on the streets of the District of Columbia in 1960. The corps was originally established on an experimental basis with five man-dog teams. With the concurrence of the congressional appropriation subcommittees the corps was continued on this basis through the fiscal year 1961. Fifty man-dog teams were authorized for fiscal year 1962 and 75 for fiscal year 1963.

The Commissioners have recommended an increase of 25 dogs in the budget for fiscal year 1964.

Therefore, the Commissioners recommend the enactment of this legislation.

The Commissioners have been advised by the Bureau of the Budget that, from the standpoint of the administration's program, there is no objection to the submission of this report to the Congress.

Yours very sincerely,

F. J. CLARK,
Acting President, Board of Commissioners,
District of Columbia.

INCREASING THE RETIREMENT SALARIES OF CERTAIN RETIRED DISTRICT OF COLUMBIA JUDGES

Mr. McMILLAN. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (H.R. 1066) to amend section 11-1701 of the District of Columbia Code to increase the retirement salaries of certain retired judges, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection of the request of the gentleman from South Carolina? There was no objection.

Mr. McMILLAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the purpose of the bill (H.R. 1066), is to bring the compensation of the retired judges of the court of appeals and the District of Columbia court of general sessions in line with the pay raises granted, as of July 1, 1964, by Congress to all the other judges of these courts.

It is the opinion of your committee that such legislation is necessary and appropriate in order that the same salary ratio between active and retired District of Columbia judges under present law may be retained.

The 16 judges of the District of Columbia court of general sessions, and the 3 judges of the District of Columbia Court of Appeals are all included in the recently approved Federal Employees Salary Act of 1964—H.R. 11049, recently passed by the Congress. However, through inadvertence, no provision was included therein to cover the two retired judges—one in the court of appeals and one in the court of general sessions. Inasmuch as each of these judges has continued to perform active service in the two courts named, it is felt that in fairness and justice they should be entitled to a proportionate raise in their compensation.

By the reported bill, those judges who have heretofore retired will have their retirement salary computed under the same formula and at the new rate of compensation as will be the case with judges who may in the future retire under the Federal Employees Salary Act—Public Law 88-426. In other words, there will be, and in the opinion of your committee there should be, no difference in the status of presently retired judges and judges who may retire in the future, at least insofar as such retirement occurs under the existing law.

In addition, when retired judges are called upon to perform full-time judicial duties, under this bill they will receive active duty salary of the office in which they perform such duties.

[Mr. MOORE'S remarks will appear hereafter in the Appendix.]

EMPLOYEE CIVIL RIGHTS ACT OF 1965

(Mr. GRIFFIN (at the request of Mr. GURNEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GRIFFIN. Mr. Speaker, last week, on February 4, I introduced a bill, H.R. 4350, proposing enactment of the Employee Civil Rights Act of 1965. My remarks explaining the purposes and provisions of the bill appear, beginning on page 1993, in the RECORD for that day.

Under permission granted, the text of H.R. 4350 is reprinted below:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Civil Rights Act of 1965".

SEC. 102. Section 14 of the National Labor Relations Act of 1947, as amended, is amended by striking therefrom subsection (b) and by inserting in lieu thereof the following:

"(b) (1) Nothing in any constitution or law of any State, or political subdivision thereof, shall preclude a labor organization from making an agreement with an employer covered by this Act requiring membership in such labor organization or the payment of moneys thereto as a condition of employment subject to the provisions of subsections 8(a) (3) and 8(f): *Provided*, That it shall be an unfair labor practice for any labor organization, which is a party to such an agreement, or its agents—

"(A) to deny, limit, or otherwise restrict membership in such labor organization, or any rights or privileges pertaining thereto, or participation in any apprenticeship or training program on account of race, color, religion, or national origin;

"(B) to use, directly or indirectly, any part of the dues, assessments, or other moneys collected from any individual covered by such an agreement for any political purpose whatsoever or for any other purpose not directly related to those purposes specified in section 9(a) for which a labor organization is authorized to act as the exclusive representative of all employees in a bargaining unit: *Provided*, That nothing in this subparagraph (B) shall preclude a labor organization, if otherwise authorized, from expending moneys for lobbying or other activities to promote enactment or defeat of legislation directly related to the purposes specified in section 9(a): *Provided further*, That nothing in this subparagraph (B) shall preclude a labor organization from establishing and administering a separate contributory fund for political purposes or for any other purpose if all contributions to such fund are collected separately and paid voluntarily by individuals; or

"(C) to fine, suspend, expel, or otherwise penalize, or threaten, any member for exercising, or attempting to exercise, any legal or civil right guaranteed to any person by this Act, or by the Constitution or the laws of the United States.

"Provided further, That nothing in this paragraph (1) shall be construed to permit any activity or conduct which would otherwise be an unfair labor practice under section 8(b).

"(2) In the event a labor organization or its agents shall engage in any activity or conduct defined as an unfair labor practice in subsection (b) (1) of this section 14, the provisions of any agreement entered into by such labor organization, which require membership therein or payment thereto of any

moneys as a condition of employment, shall be illegal and unenforceable.

"(3) It shall be unlawful for any labor organization or its agents to engage in any activity or conduct defined as an unfair labor practice in subsection (b) (1) of this section 14. If one or more persons shall suffer damages or injury by reason of any violation of this subsection (b) (3), he or they shall have the right for and in behalf of himself or themselves and others similarly situated to bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred or where the principal office of the labor organization is located."

SEC. 103. The National Labor Relations Act of 1947, as amended, is further amended as follows: (a) by adding after "8" in subsection 10(a), "or 14(b)"; and (b) by striking the comma after "8(b) (7)" where it first appears in subsection 10(1) and adding "or 14(b)".

SEC. 104. Section 705 of the Labor-Management Reporting and Disclosure Act of 1959 is amended by striking out "(a)" after "SEC. 705" and by striking out subsection (b) thereof.

CORRECTION OF THE RECORD

Mr. HUOT. Mr. Speaker, on behalf of the gentleman from Florida [Mr. MARTHEWS], I ask unanimous consent that the CONGRESSIONAL RECORD be corrected in two instances. On page 1589 of the RECORD for February 1, last paragraph, first column, the statement reads, "as a member of the great committee on Armed Services," and it should read, "although I am not a member of the great committee on Armed Services."

The second correction should be made in the RECORD of February 3, at page A441, line 4. The word "40th" should be changed to the word "400th" in that our Nation's oldest city, St. Augustine, Fla., is celebrating its 400th birthday this year.

The SPEAKER pro tempore (Mr. WHITENER). Without objection, it is so ordered.

There was no objection.

THE FFA FACES THE FUTURE

(Mr. NATCHER (at the request of Mr. HUOT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NATCHER. Mr. Speaker, it is no coincidence that the week of February 20 to February 27 has been selected as Future Farmers of America Week. Traditionally, the Future Farmers choose the week of George Washington's birthday for the observance of their national week. True it is, that General Washington was a Revolutionary War hero. True it is, that as our first President he served his country well and with valor. But it is still more true that Washington's first love was farming. Thus, it is altogether fitting and proper that the Future Farmers of America honor him, not only as the Father of our Country, but as a pioneer leader in American agriculture. I have the feeling that George Washington would treasure this tribute.

The Future Farmers of America, com-

posed of vocational agriculture students, was organized in November 1928 in Kansas City, Mo. Originally incorporated under the laws of the Commonwealth of Virginia, it was granted a charter by the Congress of the United States in 1950. Today there are approximately 400,000 active members in 9,000 local high school chapters located in the farm sections of our country.

This means that there are some 400,000 young men diligently preparing themselves for one of the most rewarding careers offered. Some prefer the term "agribusiness" rather than agriculture, for no longer is agriculture just farming. It is more than farming and the FFA groups are learning, in their schools, in their county, and State meetings, and at their national conventions, new and practical ways to meet the challenge of new agricultural demands.

Farming today represents a triumph of technology over serfdom—of education over ignorance. We must give a large portion of credit to the vocational agricultural education in the public schools, with its accompanying organization, the Future Farmers of America. I am proud of the FFA groups in the Second District of Kentucky not only for their achievements but for their high ideals.

Thirty-seven years ago, the FFA adopted a creed. It began with these words: "I believe in the future of farming." They took this belief and made it into a tangible and worthwhile effort. Their faith was justified then, as it is now, for abundant agricultural production will always be the backbone of America's strength.

Thirty-seven years ago, the FFA adopted as their motto this inspiring message: "Learning to do; doing to learn; earning to live; living to serve." This, too, has been instilled into these fine students by their expert and watchful teachers. The aims and purposes of the Future Farmers typify the American way of life.

Mr. Speaker, we are dependent upon these farm boys—these farmers of the future—and under the guidance of their leaders, they will meet the responsibility placed before them. These thousands of boys will become successful farmers, agricultural workers and scientists in the future, and provide the assurance that adequate food, a serious problem in most areas of the world, will never become a problem here.

ADDRESS OF THE HONORABLE JOHN W. McCORMACK, SPEAKER, HOUSE OF REPRESENTATIVES, AT PRESIDENTIAL PRAYER BREAKFAST

(Mr. EVINS of Tennessee (at the request of Mr. HUOT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EVINS of Tennessee. Mr. Speaker, the spirit that is the inspiration and guide of our people in every good endeavor was impressively expressed at the annual Presidential prayer breakfast

which was held at the Shoreham Hotel on Thursday, February 4, 1965.

Government and religious leaders, laymen, and members of all faiths took part in this annual prayer breakfast meeting which has become an increasingly important institution in the life of our Nation's Capital.

On this occasion there were remarks by the President of the United States and others, a message from Gen. Harold K. Johnson, Chief of Staff of the U.S. Army, and an address by our leader, the Honorable JOHN W. McCORMACK, Speaker of the House of Representatives.

Under unanimous consent, I include in the body of the RECORD the eloquent remarks of Speaker McCORMACK at this meeting, together with the printed program.

Speaker McCORMACK's remarks at the Presidential prayer breakfast follow:

Mr. President, Mr. Vice President, Senator CARLSON, reverend clergy, distinguished Members of both branches of the Congress, members of the President's Cabinet, and of the judiciary, distinguished Governors, and other State officials; gentlemen, the one area in which we can all be in agreement today is that the Presidential prayer breakfast comes clearly within the atmosphere of being a divine institution. For it is as Godly as prayer itself. Yet it occurs under this impressive hospitality. And because it brings us together under circumstances of good will and friendship and the breaking of bread, it creates an atmosphere for the better transaction now and in the months and years to come of the business of our country and the free world.

For we are embarked on what may well be the greatest legislative and leadership adventure of the 20th century. Those of us present, and others, hold in our hands a destiny upon which history itself hangs in the balance. It is important that we should not only work together, legislate together, and commune together in an understanding manner, but it is equally important, recognizing in our own life and in the life of our country, that we should breakfast together and thus on every level of human activity get to know each other for the best results in the management of the affairs of mankind.

It has been well said of the President of the United States that his political style is based upon the saying of Isaiah, the prophet, "Come now, and let us reason together, saith the Lord." The greatest and most lasting achievements of men and nations are brought about in this way—not by force and the exercise of arbitrary power, not by pretense and indirection, but by friendly discussion and persuasion. The ecumenical spirit abroad today in this land, and all over the world, is, I fervently believe, a manifestation of the spirit of God. In this spirit, people of differing religious beliefs are meeting, filled with devotion to God and with good will toward one another, to discuss both the differences and the similarities of our religious beliefs and customs, and to join wholeheartedly in prayer—extending areas of agreement, and thereby reducing areas of misunderstanding.

Whatever the differences of our faiths and traditions, we gain in moral strength and spiritual grace from meeting together, as we do today, in the love of God and in human fellowship, to pray for the good of the country, and for mankind.

It is for these reasons that I like to think of the institution of the Presidential prayer breakfast as an institution of the highest moral order of human betterment. To those like President Johnson who are warm of heart and eager for achievement—whose leadership is dedicated to the unity of our

country in the eyes of the world—this is much more than just a meeting at breakfast. It is the relaxed but sincere expression in the home atmosphere of a dedication to great tasks for the coming years. For we have the leadership in the President, we have the will, the understanding, and the independence in our legislators, judges, Governors, and other public officials, and we have, as we know, the approbation of a divine providence.

The Presidential prayer breakfast program follows:

U.S. Army Chorus: "Sweet Hour of Prayer."

Presiding: The Honorable FRANK CARLSON, U.S. Senate.

Invocation: Lt. Gen. M. H. Silverthorn, USMC (retired).

Old Testament lesson: Psalm I.

Greetings from the U.S. House of Representatives: The Honorable HORACE R. KORNIGAY, U.S. House of Representatives.

New Testament lesson: St. Matthew 6:24-33.

Greetings from the U.S. Senate: The Honorable B. EVERETT JORDAN, U.S. Senate.

Vocal solo: Mr. Tony Fontane (Mr. Al Kohlmeier, accompanist).

The Speaker of the House of Representatives.

"Intercession for national leaders," Dr. Abraham Vereide.

Message: Gen. Harold K. Johnson, Chief of Staff, U.S. Army.

The President of the United States.

Benediction: Dr. Richard C. Halverson.

Closing song: "America."

"Our Father's God to Thee
Author of liberty,
To Thee we sing.

Long may our land be bright
With freedom's holy light
Protect us by Thy might,
Great God, our King."

(Mr. OTTINGER (at the request of Mr. HURT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on Tuesday, January 26, 1965, I stated my position on the supplemental agricultural appropriation bill and particularly the amendment thereto which would prevent the President from exercising his constitutional prerogatives for the conduct of foreign affairs by preventing him from using one part of these funds for the United Arab Republic. Because of the importance of this matter, I should like to reiterate my feelings against aid to the United Arab Republic at this time, but for Presidential discretion in the handling of our foreign affairs.

I voted today against instructing our conferees in a way which would hamstring the President in his conduct of foreign policy with respect to the United Arab Republic.

The proposed instructions provided that the conferees would have to maintain the House's original position that no funds for surplus food distribution under the supplemental agricultural appropriation bill shall go to the United Arab Republic.

This was not a vote by any means favoring the United Arab Republic or Mr. Nasser, but a vote for giving the President and Secretary of State the flexibility they need for the conduct of our foreign policy. The Constitution places this responsibility with the Ex-

ecutive and this is the only way foreign policy operations can be intelligently exercised.

Broad policy guidelines can be properly established by Congress, setting forth the basic principles upon which our foreign relations should be conducted, but Congress is not the body to decide that we should adopt this or that tactic here or there, stop assistance as a snub to such-and-such a leader, and so forth. Congress, in addition to lacking the constitutional authority for such conduct of foreign affairs, lacks the detailed knowledge of the complex situations in the many countries with which we deal, and lacks the diplomatic expertise to exercise the function of policy conduct intelligently. Once again, the framers of the Constitution demonstrate their far-sighted wisdom.

Now, if I were the State Department and were charged with this decision, based on my present knowledge, I certainly would not be giving aid of any kind to Mr. Nasser. I deplore his entry into the Congo to aid the disruptive and savage rebels there. I deplore his expressed contempt for the United States and its assistance. I deplore his permitting wanton destruction of U.S. property without lifting a finger to protect our legitimate rights. I deplore his bellicose actions and attitudes toward Israel and the Jews, including our own Jewish people, of whom I am one.

Nasser's contemptible actions and attitudes, his destructive leadership of the Arab world, more than justify our refusing to give him any kind of aid or comfort. Indeed, we subject ourselves to criticism as being soft and soft-headed for continuing aid to Nasser under these conditions, though this harsh assessment is far beyond that enunciated by the Government of Israel. The Israeli Ambassador to the United States stated his country's position as being for aid to the Arab people in a recent speech, stating:

We in Israel are not an anti-Arab country, and we never will be. We recognize not just the existence of the Arab States, but the legitimacy of their existence. We are not against the development of the Arab States. We think it is right that they should seek to develop the status and the level of their peoples, just as we in Israel seek to develop and expand the horizons of opportunity for our own people. Thus, we never objected to their getting help for economic development. The real issue, however, lies elsewhere.

Still, I would not have Congress void the President's constitutional power and tie the President's hands under the ruse of its power over appropriations. Let the President decide and take the consequences if his decision is incorrect. The people of the United States have just elected him with an unparalleled vote of confidence. I have confidence that his decision would be right and just.

There may be factors in the administration's decision on such a matter as this that we as Congressmen or the public do not know and cannot be told. How do we know that this assistance is not vital in some arrangement the administration is negotiating with Nasser to get him to mend some of his horrendous actions and attitudes? How do we know

that if this assistance is denied, Nasser does not have a commitment to receive it from the Communists or that denial would not drive Nasser more irrevocably into the Communist camp? How do we know that this assistance may not be playing a key role in preventing Nasser from taking some action still more detrimental to our interests than those he has already taken? These are the kinds of questions the Congress is not competent to answer—the kind of action with which our 435 nonexperts are simply not qualified to deal.

The action taken today by the House prevented destructive congressional interference in foreign policy conduct, depriving the President unconstitutionally of the power delegated to him, and which he must have to intelligently and ably conduct our foreign affairs.

CASTLE POINT VETERANS' HOSPITAL

(Mr. OTTINGER (at the request of Mr. Huor) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I visited the Castle Point Veterans' Hospital on Saturday morning, February 6, 1965, to get a personal insight into the advisability of closing that facility. I met with Dr. Vincent Powers, the director, and Dr. John Deegan, chief of staff.

I was greatly impressed by the facility. It is a beautifully kept and maintained institution with the most modern equipment in all departments, including a great deal of brand new equipment. It has a completely new modern kitchen, the latest in anesthetic equipment, and completely refurbished operating rooms.

The Castle Point Hospital has an esprit d'corps that is remarkable and has a decided effect on the caring of its patients. Many of these patients have been to other hospitals but swear by the Castle Point facility because of the quality of the care that is given there.

I looked over the hospital's figures and find that, contrary to the Administrator's generalizations that the hospitals that are being closed are inefficient, this is a highly efficient, economical operation. There has been no trouble getting or keeping excellent staff and the present staff includes many internationally renowned specialists. In addition, the hospital is also able to call on specialists from the New York City hospitals who live in the area.

Many of the patients at Castle Point are elderly people who need a good deal of individual attention to help them eat, read, and perform their daily functions. Castle Point is helped a great deal in handling these patients by a corps of about 200 volunteer workers that would be irreplaceable elsewhere.

This is the only VA general hospital serving a very large area of suburban and urban New York. There are no other VA general hospitals between it and the city. It has always had more patient applications than it could handle with the money allocated to it by the Veterans' Administration.

It seems absurd to be closing down an efficient operating facility of this nature at a time when the country is desperately short of hospital beds, and when the Veterans' Administration itself is asking for substantial moneys for the construction of new hospital facilities.

I strongly urge the administration to take a more careful look at its proposal to close down this and the other VA hospitals. If the other hospitals are as good as this one, it would appear that the administration has made a serious error.

I strongly urge my colleagues to join in efforts to prevent a closing down of this and the other facilities until a thorough investigation can be made.

In support of my own views on the efficient and warm operation of the Castle Point Hospital, I would like to include in the RECORD a report of the visit by Miss Ruth von Metzsch, a reporter for the Danbury News-Times. Her reactions are very similar to mine and she describes them very vividly:

CASTLE POINT VA HOSPITAL PROVES EFFICIENT, WARM

(By Ruth von Metzsch)

BEACON.—We were curious to see why it was that the Veterans' Administration in Washington is closing down VA hospitals, including three in New York State.

They said that they were obsolete. We wanted to see an obsolete hospital that is taking care of our veterans so we went to Beacon.

EXCELLENT VIEW

On a hilltop surrounded by a view excellent that of Putnam Community Hospital, is a VA hospital called Castle Point that serves an average of 240 veteran patients per day, 40 per year from Putnam County.

The sturdy walls of the 40-year-old structure radiate warmth and a feeling of safety that clashes with the cold modern and sterile equipment used throughout the building.

Castle Point Veterans' Hospital is one of the hospitals to be shut down by the VA. This means that the patients would have to be transferred to Albany, New York City, and other hospitals throughout the Nation because all are overfilled.

How would families of these veterans be able to visit their relatives?

The hospital and the equipment would probably stand idle and rot away while it could save many lives.

Many veterans need care but can't afford to go to a private hospital.

HOW ABOUT IT?

How about all the money that was spent on a new coal and oil burner, sewage disposal plant * * * one of the finest in operation of any hospital in the area, the up-to-date equipment * * * It is comparable to equipment at the brand-new Putnam Community Hospital, three research labs in use constantly * * * new laundry and bath room facilities, the contracts with Westinghouse to furnish three new elevators next week * * * new utility equipment, new beds, new sheets, new paint, the equipment still stored that isn't even unpacked * * * where will it go or will it just stay there and get rusty?

LOVE THE PLACE

Of the 248 patients there yesterday we spoke to many and they said they loved the care they received from the doctors and the wonderful nurses.

We saw patients that couldn't move a muscle in their faces but the atmosphere and wonderful care they received left a smile in their eyes and you knew that everything possible medically was being done for them to get well again.

PROUD PATIENTS

We saw the proud smile of the patients who were learning to walk with their leg or legs made of wood, fitted and refitted by experts so that the body is not damaged or any discomforts suffered.

We saw the satisfied smiles on the faces of those that were learning while convalescing, getting a high-school diploma or learning new hobbies.

DREAMING OF SPRING

We saw the man who had just conquered walking with his wooden leg looking out of the door dreaming of spring or summer when the three-hole golf course would be green and he would get a crack at that little white ball and drop it in that hole * * * he just couldn't wait.

These are the patients who will be moved from a hospital so well suited to care for our sick veterans * * * many of whom would have died without the expert care they receive at Castle Point Hospital. There is a shortage of these hospitals and the waiting list is tremendous.

EMPLOYEES NUMBER 330

The 330 employees, many of whom have been there more than 10 years, would be relocated to other hospitals. The payroll totals \$2 million per year.

There are some 80,000 veterans in the Mid-Hudson area it serves.

The hospital has many doctors who are internationally renowned including Dr. Bok Y. Lee, chief surgeon, who operated on the Duke of Windsor. He made a vein graft * * * that is he inserted a synthetic vein and connected it to a human vein. Dr. Lee will also have a major exhibit on hypertension of veins which causes heart failure at the annual American Medical Association Convention in New York City.

The hospital has the best and most elaborate physical medicine rehabilitation center in the area.

Some 220 volunteers are associated with the hospital which is almost a small city in itself with its own post office, powerplant, spacious grounds, buildings, residences for doctors and nurses, laundry and radio station.

As we left Castle Point we knew it was not obsolete nor isolated but rather a refuge of mercy and wonderful care for men who had served their country well.

We believe the country could return that by not closing the doors to these men * * * because it would be hard to ever replace the spirit and warmth which is an integral part of this fine, efficient and wonderful hospital.

(Mr. ROONEY of Pennsylvania (at the request of Mr. Huor) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. ROONEY of Pennsylvania's remarks will appear hereafter in the Appendix.]

STATEMENT IN SUPPORT OF A BILL TO ALLOW, FOR FEDERAL INCOME TAX PURPOSES, A DEDUCTION FOR CERTAIN INTEREST COSTS INCURRED BY CERTAIN INVESTMENT DEALERS

(Mr. ASHLEY (at the request of Mr. Huor) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHLEY. Mr. Speaker, today I have introduced a bill which provides

that certain interest costs incurred by dealers in connection with the purchase of tax-exempt obligations will not be disallowed as a deduction for Federal income tax purposes. The bill is designed to correct an inequity that has prevailed in our tax laws far too long.

Under present law, section 265(2) of the Internal Revenue Code of 1954 disallows a deduction for interest on indebtedness incurred to purchase or carry Government obligations whose interest is tax exempt. It is quite rational to expect that ordinarily a taxpayer who borrows to purchase tax-exempt bonds should not be allowed a deduction for the interest paid on the loan and then also be exempt on the interest earned on the bond. However, rationality further demands that under certain conditions, modifications of this general principle must be provided. I will explain the justification for such a modification, as provided in my bill, in the case of the security dealer.

A significant part of the business of investment dealers is to underwrite municipal bonds, the interest on which is exempt from Federal income taxes. The dealer performs a service that is analogous to the function the retailer performs in marketing the goods of a manufacturer. The security dealer carries bonds—as inventory—the same as the retailer must maintain an inventory of goods. Furthermore, since much of today's business transactions require operating through the credit market, it is not uncommon for businesses to obtain funds from external sources to maintain their inventories. Similarly, the investment dealers must borrow funds in order to purchase and hold their bonds for sale.

If a security dealer pays a greater interest cost on the loan used to carry the tax-exempt bonds than he receives as a return on the bonds, he incurs a net interest cost. Yet this net cost is not recognized as a legitimate business cost for tax purposes. This is clearly inequitable. No one would doubt that an inequity would exist if a retailer were disallowed a deduction for part of an expense representing a legitimate interest cost of carrying his inventory. So why should it be equitable in one case and not in another? There is no sound reason for this. Thus, my bill asks for an allowable deduction for the interest cost on the loan to the extent it exceeds the interest earned on the bonds. It does not ask for any discriminatory favors. It asks only for fair treatment.

In past years, various dealers in the business of buying and selling municipal bonds have challenged the disallowance of a deduction when the interest costs exceeded the interest income from the bonds. One point that was made by the court in the case of Paul P. Prudden and others—2 B.T.A. 14—was that the statute on the disallowance is clear, and the duty of the court to follow the statute is clear. I agree that the courts had no choice except to follow the law. That is the very reason I appeal to the Congress to modify existing tax laws according to the provision of my bill. In recent years, the Congress has been keenly concerned

about correcting inequities that have unfairly burdened certain sections of our business-taxpaying community. Although we have come a long way toward removing discriminations, we should not relax now. Therefore, my suggested correction of the inequity that I have described today should be adopted quickly. It would be another significant step in our march against inequitable tax laws.

An exception to the disallowance of an interest deduction provided in section 265(2) is granted banks by Revenue Ruling 61-222—1961, 2 C.B. 58. This ruling states that section 265(2) does not apply to interest paid on indebtedness represented by deposits in banks engaged in general banking business since such indebtedness is not considered to be indebtedness incurred or continued to purchase or carry obligations within the meaning of section 265.

Another somewhat related exception, which was provided in the Revenue Act of 1964, applies to certain nonbanking financial institutions that deal in "face amount certificates" and are subject to State banking laws. The face amount certificates are issued to investors who make periodic payments to the institution for a specified period of time as a means of investing their savings. The holders of the certificates are repaid the payments plus interest as specified in the certificate. The Revenue Act of 1964 provided that these financial institutions can deduct, under certain conditions, the interest on these certificates even though the payments received from the investors are partially reinvested by the institutions in tax-exempt bonds.

Thus, the tax laws have recognized in recent years that some exceptions to the strict rule of disallowance are justifiable. Now is the time for Congress to provide further recognition to this fact by enacting the long overdue modification provided in my bill. This will remove a serious inequity created by section 265(2) of the Internal Revenue Code of 1954 and will strengthen our general tax structure by making it a fairer tax structure.

CIVILIAN AGENCIES SHOULD BE REQUIRED TO NOTIFY MEMBERS OF CONGRESS IN WHOSE DISTRICTS IT IS CONTEMPLATED THAT INSTALLATIONS SHALL BE CLOSED, AND TO AFFORD AN OPPORTUNITY FOR PUBLIC HEARINGS

(Mr. GONZALEZ (at the request of Mr. HUOT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, on February 3, 1965, I introduced H.R. 4251, to provide that any civilian agency which contemplates moving or closing any of its installations shall notify the Members of Congress concerned and shall afford an opportunity for public hearings with respect to such contemplated action. This is the same bill that I originally introduced during the 88th Congress on January 18, 1963.

It provides for reasonable notice of

contemplated closings of civilian installations to each U.S. Senator and each Representative in Congress representing the district in which the installation is located. At the request of any Senator or Representative concerned, the head of the appropriate civilian agency would be required to hold a public hearing at a convenient location in the vicinity of the installation, before making the final decision with respect to the contemplated action.

Mr. Speaker, this is not a new bill. As I have already indicated, I first introduced it more than 2 years ago during the 88th Congress. What prompted the introduction of this bill in early 1963 was a situation which all of my colleagues will easily recognize.

In 1962 the Administrator of the Federal Aviation Agency, Najeeb Halaby, announced that the Air Route Traffic Control Center located in San Antonio, in my home district, would be shut down. This announcement came without prior warning or hearing of any kind. I was not notified of the contemplated action prior to the final decision. In view of the fact that the San Antonio Center had been custom built for the FAA at a heavy expense to the taxpayers only 4 years earlier, the decision to abandon it came, needless to say, as a shock to the 200 Federal employees working at the Center and their families, to the entire community, and to myself, their recently elected Representative in the Congress. Not only was the news that the brand-new Center was to be abandoned a shock, it was also a mystery. For the Center, in addition to being a new one, had an excellent record for performance and efficiency.

My appeals and the appeals of the civic leaders of San Antonio to the FAA Administrator, Najeeb Halaby, were met by a callous disregard for the facts, by insult and indifference, and by deceit. In fact, I believe that when the full story of this incident becomes known, as inevitably it must, Najeeb Halaby will be recorded as one of the most arrogant and dangerous public officials this Government has ever employed.

The initial justification for closing the San Antonio Center, offered only after I had made numerous requests for an explanation, was ridiculous on its face. After I challenged it with facts and figures, Halaby and his comptroller admitted some mistakes on their figures. But instead of reexamining his decision, he simply changed the justification by presenting new figures. These are as erroneous as the earlier set. I have made what I consider to be an irrefutable case for the San Antonio Center. Still Halaby clings to the original impulsive decision like a petulant child caught in an outright falsehood but refusing to confess the truth.

Last year I discussed this matter extensively with the Bureau of the Budget. On March 24, 1964, I presented a detailed brief, together with exhibits, to the Bureau of the Budget, demonstrating beyond any reasonable doubt the need for retaining the San Antonio Air Route Traffic Control Center. I was assured that the Bureau would review the case

billion. Under existing law, against that gold reserve, the Federal Reserve System could add to the total of currency and deposits about \$17.5 billion for a total of 66.5 billion. In other words, the Federal Reserve notes—currency—could be increased from \$27 billion to more than \$44 billion. No one has suggested that that be done. I am certain that there is no intention to do so. Imagine what would happen to the value of that minute of labor and capital if we suddenly increased the quantity of currency in circulation by \$17.5 billion.

This then is the case against requiring a gold reserve on the domestic scene and in favor of repealing the law requiring it.

To those who argue that history tells us that every country without a gold reserve has collapsed economically, I say they confuse gold with manipulation of the economy.

Our gold reserve is subject to the same manipulation as our economy. Irresponsible Government officials can manipulate either. Thus far in our country, in our generation, that has not been done. We must be alert to be sure it is not done. Gold, however, is not the brake on such conduct.

To repeal the law requiring a gold reserve has certain positive advantages. We would replace a legalistic myth with reality. We would be freed from juggling around reserve percentages to meet conditions which might arise. We would simplify the economy's financial structure. And in time of potential war with a power possessing vast gold deposits, we would strengthen our economy in the world, add greater flexibility and mobility, and increase our chances of survival and success for the United States.

But will this affect our balance of payments? Will we not cause a run on our gold by foreign claimants if we abolish our statutory requirement for a gold reserve? The answer is positively, unequivocally, and categorically "No."

Checkbook money calls for dollars, not gold.

U.S. currency is either Treasury certificates or Federal Reserve notes.

Each calls for silver or for lawful money of the United States. None call for gold.

No individual, no corporation—American or foreign—can demand gold from us.

Foreign governments and foreign central banks; that is, government banks, do not have a right to demand settlement of their claims against the United States in gold. We can satisfy such claims either with gold or with the currency of that country making the claim. As a matter of national policy the Treasury sells gold for dollars to foreign governments and central banks for the settlement of international balances.

By repealing a sterile and useless domestic gold reserve requirement, we have available to meet foreign claims a gold stock of more than \$16.4 billion.

The total amount, private and Government, of foreign claims is only \$20 billion, and only about half of it is foreign government. Our gold stock is almost double that amount. Total short-term

liabilities to foreign countries reported by banks in the United States amounted to about \$18.8 billion on April 30, 1962, of which \$10.3 billion were official balances of governments and central banks. In addition, foreign countries held about \$1.4 billion of U.S. Government bonds and notes for which we have no official-private breakdown. The total of these foreign dollar holdings was \$20.2 billion. These figures do not include the \$5.6 billion held by international institutions, which do not constitute potential claims on our gold.

In addition, we have a right to call on the International Fund for the use of \$1.4 billion in currencies we could use in lieu of gold to meet foreign government claims. That much we can get, as of right. We can borrow almost as much more, if necessary, plus much larger sums by negotiated agreement. But how could be possible need it, and for what?

Over and above the foreign claims referred to, Americans own investments in foreign countries in excess of \$54 billion. All of them are earning profits for Americans. Some of the earnings and of the capital is repatriated—brought home to the United States—every year.

Those who argue that we must have a gold reserve to prevent printing excessive quantities of paper money, completely ignore the fact that it is the law, as made by Congress and approved by the President, and not the quantity of quality or fineness of gold, which determines how much and what kind of paper money should be issued in this country.

The quantity of money that is held in the form of currency and coin is determined primarily by the habits of the public and the need for pocket money. The quantity of money in the form of deposits in the banks results, on the one hand, from the operations of the Federal Reserve System and the commercial banks, under the laws affecting these institutions made by Congress and approved by the President. On the other hand, it is affected by the current requirements for bank loans by the community.

Only if our entire gold stock were needed to meet the 25-percent gold requirement could this requirement be said to impose a limit on the money supply. At the present time our gold reserve is substantially more than the minimum established by law.

Those who argue that we should go back on the gold standard and devalue the dollar, that is, increase the price of gold from \$35 to \$70 an ounce, or to any other figure, also tell you that that must not be done unilaterally by the United States, but we must do it in agreement with the major "hard" currency countries of the world, else we upset the world currencies.

If that is what we must do, why waste the time with such mathematical gymnastics? If we double the value of the ounce of gold and thereby cut the dollar in half, and do the same to the British pound sterling, and the German mark, and the French franc, and the Italian lire, what have we accomplished? But look at the windfall we create for the country that will not enter into so fool-

ish an international agreement—"fiasco" would be a better word. Would the Swiss bankers join us in such a move? I doubt it.

Would the Russians? You can bet your last dollar they would not.

It is said that half of the world's gold is owned by the Russians. For every dollar we add to the price of gold, we add a dollar to the value of the Russian hoard.

Double the world price of gold, and the Russians get a windfall which will automatically put them in a tremendously powerful economic position worldwide.

Every last economist and financial writer who regularly tries to instill fear about our balance of payments, and tries to destroy confidence in the American dollar, and urges increasing the price of gold, also insists that our fractional reserve system is the best yet devised by man.

The fractional reserve system is that which permits the issuance of currency or checkbook money in multiples of the gold or other reserves on hand. The theory proved by experience is that not more than one-sixth to one-fourth of the gold on hand is ever demanded by the holders of claims against the gold.

As long as the free world keeps most of its gold in the United States of America, it is safe. Safe not only from misappropriation and embezzlement, but safe from capture by dictators of the left or of the right, and certainly safe from the Communists.

Everyone knows that the last place in the world the Communists can get to is the United States of America. They know, too, there is no safer place than here for their gold. They can trade with their claims on that gold while it is here. If the Communists steal those claims, the United States of America can refuse to honor them, holding the gold here for the true owners thereof. If the claims are redeemed and the gold taken home, and the gold captured by the Communists, it is gone forever.

Of course, the earmarking of gold for a foreign country or central bank takes it out of our gold reserves, whether the gold remains here or is shipped abroad. But such gold once so taken out of our gold reserve is effectively immobilized. It becomes a nonearning asset that eats into its own value by the cost of storage, insurance, and so forth. Their dollars, on the other hand, cost nothing to store, need no insurance, and can earn interest while waiting to be used.

The one thing the economists do not tell us, and yet the only basic truth, is—no economy, domestic, foreign, or international, depends on gold or on the medium of exchange, no matter what it is called.

Our economy, every sound economy, must depend upon the production of our farms and of our factories. The dollar protects itself when we protect our economy. We protect our economy when we keep our people employed in producing. Every producer is an earner; every earner is a consumer.

That is the one circle that cannot be called vicious. It is the unalterable, but

happy circle that makes for peace and contentment.

It is axiomatic that a sound domestic economy cannot operate in an international vacuum. A domestic economy which is sound produces for resale on the international markets goods that may be sold abroad at competitive prices.

In that atmosphere, all the world knows that our dollar, whether check, currency, or gold, is exchangeable for full value in minutes of labor and capital, no more and no less.

FIRMNESS TOWARD NASSER IS THE RIGHT COURSE—LET'S NOT BACK DOWN NOW

(Mr. STRATTON (at the request of Mr. HUR) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, I rise in support of the motion offered by the gentleman from Illinois [Mr. MICHEL] to instruct the conferees to insist on the original House amendment to this bill, denying assistance under this program for the balance of the fiscal year to Mr. Nasser's Egypt.

Last year, at the time the foreign aid authorization bill was before the House, I offered a similar amendment to it pointing out that events had already demonstrated that Nasser was following a course hostile to our interests and to the interests of peace and stability in the Near East. He was arming against Israel. He was pressuring the Libyans to drive us out of our key air base at Wheelus. He was sending arms into Cyprus to stir up the fighting there and further menace the stability of the NATO alliance. He was supporting military operations in Yemen and in the Congo, contrary to the interests of the United Nations. My amendment did not carry, but it did get substantial support.

Subsequently, a similar amendment was offered to the appropriations bill, and this one came closer to adoption. The other day in this new Congress the same amendment was offered again and of course I supported it, as did a substantial majority of this House, and it carried.

It carried, I believe, because not only had Mr. Nasser not stopped in the intervening months pushing the policies and actions which I had noted 6 months ago as being contrary to our interests, but he had, in fact, since then increased them and had even sneered at the whole concept of American assistance when we had indicated our displeasure with his conduct.

Mr. Speaker, it would certainly not be consistent for me, after having fought so hard for this principle both in this Congress and the last, to change my position now and oppose the motion offered by the gentleman from Illinois. I could not in good conscience do so because I believe our country would be making a grave mistake in reversing the thoroughly healthy action taken the other day by the House of Representatives.

I have always supported the foreign aid program, even though it has not always been popular in the district which I have the honor to represent. But I have also believed very strongly that this assistance is wasted unless we make certain that the countries to which it is directed do follow certain policies or take certain actions in accord with our best interests, in other words that certain "strings" are tied to it. One of the very serious dangers in our foreign aid program, I believe, is that countries might get the impression that this assistance is available to them no matter what they do or what they may say.

We have been told, for example, that because of this continued aid we are a "moderating" influence on Mr. Nasser's conduct, and without this assistance we would have no more "handle" on him. This strikes me as very much a one-way kind of argument. We can turn the spigot on, apparently, but we can't turn it off. Such a view puts us into the intolerable position where any tinhorn dictator can blackmail us simply by threatening to under take certain "immoderate" actions if we even threaten to discontinue our assistance to him.

There must come a time, Mr. Speaker, when those who would undermine the interests of the United States learn exactly what our intentions and determination really are. Otherwise, we should be following a road that would be, unfortunately, all too similar to the appeasement policy directed toward Adolf Hitler in the 1930's. I am sure that Prime Minister Neville Chamberlain also thought that his concessions to Hitler would have a "moderating" influence on the Nazi dictator and would give the British some kind of "handle" on Hitler. But we found out then that appeasement does not work and cannot work, and I think it is time for us to recall that lesson now.

Mr. Speaker, just yesterday, President Johnson took bold and decisive action in Vietnam to make perfectly clear the intentions and determination of the United States in that area of the world. I thoroughly support him in this action. I believe the action of the House of Representatives in regard to the United Arab Republic is a similar healthy and decisive step which should certainly not be upset.

In fact the record indicates that the action of the House has already had a "moderating" effect of its own on Mr. Nasser and has prompted a reappraisal of his actions toward us. We have gotten these results by "getting tough" with Nasser just as we hope to get results by "getting tough" with North Vietnam. To reverse the action of the House now would not only jeopardize the good which our earlier action did, but would again create doubt and misunderstanding as to our real intentions and our determination.

Mr. Speaker, I do not accept the argument that by our actions we are taking food out of the mouths of hungry Egyptian children. The agricultural commodities proposed to be conveyed to Mr. Nasser will after all only be transformed

into currency to finance his aggressive military operations elsewhere. And we are not in any case cutting off all aid to Nasser. Several other titles of the bill are still available for genuinely humanitarian aid. Nor are we cutting off all ties with Nasser. We are simply making clear that this Congress and this people recognize a limit beyond which those who seek and receive our assistance simply cannot go. We do not intend to be a "paper tiger" in the pocketbook any more than in our defense stance.

Similarly, Mr. Speaker, I cannot accept the contention that this position constitutes a repudiation of the President of the United States. True, the President has broad authority in the field of foreign relations. But the Congress also has authority in this same field, both under the Constitution and as an outgrowth of progressive developments over the years. In an age when foreign policy is increasingly being conducted through allocations of vast sums of money, those of us in Congress who have the ultimate say on money also have both a share and a responsibility in the conduct of our overall foreign policy. In this vital question of our policy toward Nasser, as in other matters, the ultimate actions of the U.S. Government must reflect not only the thinking of the executive branch but also of the elected representatives in the Congress as well. I cannot believe that it is proper for us in this House to default our heavy responsibilities in the conduct of our foreign policy and it is in that spirit that I support the pending motion.

Under leave to extend my remarks, I include the following press account from the New York Times of January 30:

CAIRO RESTRAINS CRITICISM OF UNITED STATES—IT WANTS TO AVERT CUTOFF OF AID PROGRAM BY CONGRESS—REDS ARE WARNED
(By Hedrick Smith)

CAIRO, January 29.—President Gamal Abdel Nasser, who just a month ago was telling the United States to "jump in the lake" with its economic assistance, is following a policy of restraint now that the U.S. Congress is considering cutting off aid to the United Arab Republic.

Egyptian authorities, anxious to have the American aid program continued, are making a serious effort to avoid embarrassing the Johnson administration by intemperate outbursts during the current aid battle on Capitol Hill.

President Nasser was reliably reported to have intervened to prevent the publication of two bitterly anti-American editorials in the Cairo newspaper Al Akhbar Wednesday, the day after the House of Representatives voted to suspend surplus food sales to Egypt.

In general, confident talk in press and official circles about doing without the \$140 million a year American food shipments has given way, at least for the time being, to expressions of appreciation for the efforts of the State Department and the Johnson administration to save the aid program.

DISTINCTION IS DRAWN

The Cairo press, which has in the past delivered broadside attacks against the United States on issues far less important to Egypt than the American aid program, has been critical of Members of Congress on the aid question. However, it has drawn a sharp distinction between the House action and the viewpoint of the administration and, for the first time in recent months, has painted a

clear picture of the administration's predicament and the range of views within the United States on the aid question and relations with the United Arab Republic.

Moreover, Cairo's most authoritative columnist delivered a thinly veiled warning today to Egypt's Communists on behalf of the regime not to overplay their hand in the present situation.

Some American officials took comfort from the editorial by Mohammed Hassanein Helkal, a confidant of President Nasser, because they had feared that Cairo was letting the Communists develop new influence unchecked.

In his weekly column in *Al Ahram*, Mr. Helkal warned the Communists against attempting to reform their party openly or secretly or trying to tamper with religion in Egypt. In either case, he said, they would be violating the National Charter and "hence the law has the right—and indeed the duty—to intervene and strike at them."

REDS IN INFLUENTIAL JOBS

About 600 Egyptian Communists were freed from jail last April and have made their way into influential jobs, especially in the press. There have been reports that the Central Committee of the Communist Party was secretly reformed last fall.

Qualified sources said Mr. Helkal's column—the first significant public criticism of the Communists in months—was intended to assure the West and warn the Soviet bloc that the Nasser regime was not about to espouse communism even if Western aid were cut back.

Since Egyptian-American relations reached a low point at Christmas after mobs attacked the U.S. Embassy compound and burned the U.S. Information Agency Library in Cairo in protest against the American role in the rescue of white hostages in the Congo, Mr. Helkal has played a personal role in trying to rebuild contacts with the United States. He has met repeatedly with Ambassador Lucius D. Battle.

Mr. Battle was reported to have given the Nasser regime assurances that the Johnson administration would do all it could to retain the economic aid program and prevent enactment of a ban on surplus food shipments to the United Arab Republic.

This morning *Al Ahram* attributed the House vote for the ban to "an alliance between elements favoring Israel and isolation and the [Republican] opposition in Congress."

FARM LABOR

(Mr. RONCALIO (at the request of Mr. Huot) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, Public Law 78, adopted in 1951, resulted in employment of foreign nationals, Mexican, or otherwise. It expired on December 31, 1964. Congressmen from districts which rely on these laborers are acutely aware of this crucial problem and that such a basic element in our finely balanced economy cannot be disturbed without shattering consequences.

Wyoming's sugarbeet growers deserve commendation for efforts to cope with this problem on their own; however, we cannot wait until our beets are spoiling in the fields—a present problem of California date growers—to solve this problem.

We must know that present legislation, such as the Immigration and Nationality Act of 1952, Public Law 414, will be effective to provide temporary assist-

ance of foreign nationals where growers cannot find enough American workers to perform these necessary seasonal labors.

A nonlegislative remedy to this problem is going to require full cooperation and good faith between the Department of Labor and the growers. This would be greatly aided if the Department of Labor would assume a neutral role on this matter rather than that of an advocate. A continued strict construction of the Public Law 414 could well lead to one of the blackest years in the history of American agriculture.

In support of my view I would like to read into the RECORD two letters typical of many I have received.

The first is from Mr. Fred G. Holmes, a vice president of the Great Western Sugar Co.; the second from a Wyoming beet grower:

THE GREAT WESTERN SUGAR CO.,
Denver, Colo., January 28, 1965.

Hon. TENO RONCALIO,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN RONCALIO: We and our growers are greatly concerned about the possibility that Mexican nationals will not be available for sugarbeet work this spring. We ask for your help and advice in solving this problem.

I believe that our future need for this type of worker can best be developed by a review of the actual number of workers employed and acres worked in 1964. Following is the detail of the acreage worked by types of workers in our Lovell-Wheatland areas:

Types of workers	Acreage worked	Number of workers	Average acres per worker
Growers' families	221		
Local labor	1,867	184	10.15
Youth groups	32	15	2.13
Drift-in workers ¹	110	8	93.75
Recruited workers	1,701	130	13.08
Mexican nationals	21,775	1,110	19.62
Total	25,706		

¹ Drift-in workers are those who are either recruited directly by their grower-employer or who travel to our areas without being contacted by our recruiters.

At first glance at the above figures it would appear that the loss of Mexican nationals would mean a shortage of 1,110 workers. However, to work with domestic workers the 21,775 acres worked by Mexican nationals would require the recruitment of 1,664 additional workers instead of 1,110 Mexican Nationals. This is based upon the average performance of recruited domestic workers in 1964, and the assumptions (1) that the same numbers of local and drift-in workers would again be available and (2) that the additional workers needed could be recruited.

We do not believe it possible to recruit enough workers to fill the shortages that would result if Mexican nationals were not available. We have assisted our growers in recruiting field workers for over 50 years. From 1948 until 1961 I was in charge of our labor department and I personally know that every effort was made to fill our shortages with domestic workers recruited from Texas, Oklahoma, New Mexico, Arizona, and other Western States. In addition, the Colorado State Employment Service has also recruited workers for our Rocky Mountain area growers in the Southwestern States for many years; yet, our combined efforts could not fill the needs and each year from 1951 to date it has been necessary for us to contract Mexican nationals. It is also reasonable to assume that the demand for domestic agricultural workers for other areas in the United States,

resulting from the loss of approximately 180,000 Mexican nationals, will reduce the number of workers that will be recruited for our areas in 1965.

It has always been extremely difficult to recruit domestic workers for sugarbeet work in Wyoming. We believe that this difficulty is mainly due to (1) the great distances workers must travel from their homes in the Southwest to Wyoming and return, and (2) the shortness of the working season because of the lack of work in other crops. In Colorado, for example, workers also have work in harvesting tomatoes, cucumbers, and potatoes, in addition to their beet work. But even in Colorado, we have been unable to recruit enough domestic labor to fill the needs.

As you know, the sugarbeet industry has made tremendous strides in the development of better seed, machines, and herbicides in an effort to reduce and, we hope, eventually eliminate the need for fieldworkers. As a result, we now need only one-half of the number of workers that were required 20 years ago. We feel confident that within a few years we will have herbicides that will eliminate weeds—and labor. Until that day arrives, we must face the fact that labor shortages will cause crop losses.

Our growers have accorded to domestic workers the principal benefits given Mexican nationals. The wage rates paid both types of workers have been as determined annually by the Secretary of Agriculture under the terms of the Sugar Act. The 9,119 Mexican nationals contracted to us in 1964 who worked in our 5-State area averaged \$1.242 per hour worked. Although payrolls are not kept on domestic workers by our growers, we think it reasonable to assume that similarly qualified domestic workers earn equally as much inasmuch as they are paid at the same rate as Mexican nationals.

There has been no discrimination in housing and the free housing furnished both domestic workers and Mexican nationals has been inspected and has met the Department of Labor's minimum housing standards for nationals. The sugar industry is one of the few that have provided both occupational and nonoccupational insurance coverage for domestic workers. Robert Sakata, as a representative of the Mountain States Beet Growers Association of Colorado testified at the recent Department of Labor hearing in Dallas as to the benefits given. A copy of this statement is attached for your information.

You know that both my company and our growers are greatly concerned over the possibility that we might be denied Mexican nationals this spring. This concern was clearly shown when we were unable to settle the 1965 contract at our recent negotiations.

Very truly yours,

FRED G. HOLMES,
Vice President, Agricultural Administration.

POWELL, WYO.,
January 23, 1965.

Hon. TENO RONCALIO,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: When the Government lifted acreage restrictions on sugarbeets and in 1963 said there would be no acreage restrictions imposed at least through the 1965 or 1966 growing seasons due to an apparent shortage of sugar, many growers responded by investing heavily in new equipment to raise more acres to help offset this shortage. This was done in the hope that income from more acres harvested would repay the money borrowed in 3 or 4 years, if most all of the profits from the crop were used for that purpose.

When it became apparent that there was not such a shortage as the USDA thought, acreage restrictions on U.S. beet growers in-

stead of foreign allotments were the answer. Most grower associations reluctantly went along with this. The growers felt they could tighten their belts a little and get by. Now, to top this off, Secretary of Labor Wirtz says there is plenty of unemployed labor in the United States waiting around to do such jobs as thinning beets.

You being a Representative from Wyoming beet raising communities know it takes a particular kind of person to do the stoop labor of beet thinning. You and I know that very few of the labor force in the United States could do this kind of manual labor.

Chemical weed control and mechanical thinning equipment are making progress; however, they are still not effective enough to let us produce a profitable crop without additional hand labor. The Mexican nationals are excellent at this work, and the money they take home to Mexico greatly helps the economy of our neighbor. At the same time, if we can produce a profitable crop, we will be buying more machinery and supplies and helping keep the economy of this country rolling.

I strongly urge you to use your influence to help us beet growers with this problem. Thank you.

Sincerely,

DON FAXON.

Mr. Speaker, I cannot overstate this problem or the present need for clarification and certainty in this area.

INTRODUCTION SPEECH FOR VOTING RIGHTS BILL OF 1965

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RESNICK] is recognized for 15 minutes.

(Mr. RESNICK asked and was given permission to revise and extend his remarks.)

Mr. RESNICK. Mr. Speaker, I am sure that most of us here today stand together with the vast majority of the American people who believed that the Civil Rights Act of 1954 had finally guaranteed the right to vote to all of our citizens regardless of race or color. Unfortunately, this belief has been painfully shattered by recent events in Selma, Ala., and neighboring areas. The cold fact that sufficient authority does not exist in the laws of the United States to prevent discrimination at the ballot box must come as a shock to the Members of this body who labored so long and diligently last winter. Four days ago I was in Selma. I was immediately struck by the fact that the Dallas County Board of Registration and all other city and county officials stated time after time that they were obeying the Alabama laws pertaining to registration and voting and did not consider themselves guilty of any wrongdoing. They did not understand, nor could they explain why only 2 percent of the eligible Negroes were registered, while 70 percent of eligible whites had qualified to vote. A number of Selma residents, particularly white businessmen, told me that unless there were truly effective Federal legislation, it would be impossible for the Negro to attain his voting rights at any time in the near future.

I believe that we must enact a law as quickly as possible that will, without question, conclusively abolish voting discrimination. Our duty as Members of

the Congress of the United States compels us to do no less. At this point, decisive action is required. We—as Members of Congress—must face the fact that existing legislation just is not working. The situation in Selma must jar us from our complacency concerning voting rights. Most of us believed that the passage of the historic Civil Rights Act of 1964 would end violence and demonstrations and move this type of controversy into the courts.

Why then are we faced with the spectacle of young children crowded into jails, men and women being beaten and subject to wholesale arrests, teachers losing their hard-won jobs and skilled craftsmen subject to all sorts of economic reprisals when they attempt to exercise their supposed inalienable right to vote?

There are several reasons. First, the 7-year history of judicial enforcement of the Civil Rights Acts of 1957, 1960, and 1964 has shown a pronounced tendency on the part of the Federal courts in the South to proceed very, very slowly. Secondly, the voting referees procedure established by the 1960 act and somewhat strengthened by the 1964 act necessitates drawn out litigation that postpones final relief, and usually establishes in each suit only the rights of individuals or small groups. Third, the Federal judiciary in the South has shown an extreme reluctance to appoint any voting referees. In fact, the number of referees actually appointed is probably less than the number of the fingers on one hand—and this, despite the glaring abuses that exist in Dallas County and other counties throughout the South. And fourth, even if a referee should be appointed, he is obliged under the existing procedure to apply State laws which in many areas as in Alabama, are highly discriminatory and precisely designed to prevent Negroes from voting.

Dallas, County, Ala., dramatically exemplifies the ineffectiveness of existing legislation. As early as 1961, soon after the passage of the 1960 Civil Rights Act, the Justice Department filed suit against the Board of Registrars of Dallas County. Four years and five more Federal suits later effective relief is yet to be forthcoming, and the first voting referee is yet to be appointed. The extraordinary concentration of the legal resources of the Justice Department has been to no avail. Last week a Federal district court issued its most recent order. That order tolerates a situation in which the board of registration is open only 2 days each month. It does order the board to process at least 100 applications each of those 2 days; but at that rate it would take close to 7 years merely to process the applications of the 15,000 qualified Negro citizens of Dallas County.

Viewing the clear and almost total failure of the Civil Rights Acts of 1957, 1960 and 1964 to secure the right to vote without regard to race, and sensing the great and immediate need for remedial legislation, I am today introducing a bill which would establish a Federal Voting, Registration, and Elections Commission. The new Commission would consist of six members, three from each political party, appointed by the President and

confirmed by the Senate. The Commission would act upon receipt of complaints or upon its own motion regarding discriminatory registration or voting procedures. It would hold hearings and, if complaints were substantiated, it would act quickly and effectively to secure the right to vote.

One of the key provisions gives the Commission the power to appoint Federal registrars for all elections—State or local—who would be authorized to register qualified voters without complex literacy tests, poll taxes, or any other restrictive procedures.

Regretfully, in my limited time I can not explain this bill in detail. Under unanimous consent, I introduce into the RECORD, along with the text of the bill, an overall analysis of the bill. I would like to add that Profs. Mark deWolfe Howe, Paul Freund, and Louis Jaffe, of the Harvard Law School faculty, were asked for their views on the constitutionality of this proposed legislation. I also include Professor Howe's reply in the RECORD.

Let there be no mistake about what I am asking. I urgently request the distinguished Committee on the Judiciary to hold immediate hearings not only on this bill but also on the many other constructive proposals which have been introduced in the Congress by my esteemed colleagues.

Too long has the southern Negro borne unaided the intolerable burden of braving dangers and risking his life in his attempt to register to vote. The time has long since passed when the Congress should have provided him its effective assistance.

We must end the spectacle of elected white officials using the letter of their law to violate and undermine the spirit of the 15th amendment to the Constitution of the United States.

Mr. Speaker, include at this point a copy of the bill which I have introduced and an analysis of the same. I am also including a letter from Prof. Mark DeW. Howe, of the Harvard Law School:

H.R. 4509

A bill to further secure the right to vote, free from discrimination on account of race or color, through the establishment of a Federal Voting, Registration, and Elections Commission

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Act of 1965."

The Congress hereby finds: (1) that large numbers of citizens of the United States are denied the right to vote on account of their race or color; (2) that many State and local registration and election officials are responsible for such denials; (3) that such denials are sometimes accomplished through violence, threats of violence, economic reprisals, and other forms of intimidation; (4) that in many areas of the United States the literacy test, interpretation test and other such devices are frequently abused so as to deny qualified citizens the right to vote on account of race or color; (5) that the poll tax as a condition of suffrage is today almost exclusively used to deny the right to vote on account of race or color; and (6) that the delays incident to granting the right to vote to qualified citizens of the United States regardless of their race or color under exist-

Clearly, the critical need in my State is assure adequate support for the schools now in existence, not additional colleges. At its first closing date on October 15, 1964, the South Dakota Commission on Higher Education Facilities had received applications totaling \$755,473. Because the State's allotment for 4-year schools was only \$719,682, the commission was not able to provide the maximum Federal assistance to all of the eligible projects. A far greater excess of applications over available funds is anticipated for the second year.

The better method of development of technical training for South Dakota would be to introduce appropriate programs as a part of the curriculum of the existing 4-year schools. Forcing a State such as South Dakota, already so richly supplied with institutions of higher education, to build more institutions in order to obtain its Federal share, appears to be going in the wrong direction.

For these reasons, I introduce, for appropriate reference, a bill to amend the Higher Education Facilities Act of 1963, to make allotments under section 103 available under certain conditions for the payment of the Federal share for the construction of academic facilities for institutions of higher education other than public community colleges and public technical institutions.

This amendment, which incorporates a ratio of existing institutions to population, is narrowly drawn so as not to contradict or contravene the original intent of the act. It is based on the theory that sound development of higher education in the rural, more sparsely populated States would be better served by a limited provision for the reallocation of funds.

On another matter, Mr. President, I also introduced, for appropriate reference, a bill to amend the Higher Education Facilities Act to authorize administrative expenses for State plans for an additional fiscal year. It is my understanding that it was the intent of the original act to provide funds for administrative costs for the first 2 years of operation. Because appropriations followed passage of the original act by a year, funds will not be available after June 30 of this year. The amendment which I offer is designed to correct this situation. It will encourage further State support for administrative purposes and will further the intent of this excellent legislation.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. McGovern, were received, read twice by their titles, and referred as indicated:

S. 1048. A bill to amend the Higher Education Facilities Act of 1963 to make allotments under section 103 available under certain conditions for the payment of the Federal share for the construction of academic facilities for institutions of higher education other than public community colleges and public technical institutions; to the Committee on Labor and Public Welfare.

S. 1049. A bill to provide relief for the heirs and devisees of Fly and Her Growth,

deceased Lower Brule Indian allottees; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT ON REAPPORTIONMENT

Mr. JAVITS. Mr. President, I send to the desk a proposed constitutional amendment to allow the voters of any State, in a one-man, one-vote referendum, to determine if one house of their State legislature should be apportioned on a basis other than population alone.

I have long believed that urban areas require fairer treatment in the apportionment of many State legislatures. It was this principle which the U.S. Supreme Court recognized in the 1962 Baker against Carr decision asserting jurisdiction in the Federal courts to test the fairness of State legislative apportionment under the equal protection clause of the 14th amendment, and also in the landmark decision last year, Reynolds against Sims holding that both houses of State legislatures must be apportioned upon a population basis, that is, on a one-man, one-vote basis.

While I believe that the Court was historically correct in its decision in Reynolds against Sims, I feel very strongly that most Americans are firmly convinced that the so-called Federal system is a wise one and should be applied equally to the Congress and to State legislatures.

My proposed constitutional amendment would permit the people of a State to determine in a one man, one vote, statewide referendum whether they wish to have one house of their State legislature apportioned on a basis other than population alone. Under the proposed amendment the second house would still have to remain apportioned strictly on population.

My proposal seeks to achieve the same goal as the constitutional amendment proposed by Senator DIRKSEN, the minority leader. But it differs from his in three respects. First, my proposal eliminates the first sentence of Senator DIRKSEN's proposed amendment. Although I am sure this was not Senator DIRKSEN's intention, this sentence might be construed to limit the Supreme Court's jurisdiction asserted under the Baker versus Carr decision. This was what the struggle in the Senate last session was all about, and I believe there should be no vestige of this issue in the effort to obtain a constitutional amendment authorizing the use of the so-called Federal system—that is, one house of a legislature based on population and the other on factors other than population.

Secondly, my amendment adds the phrase "in a statewide referendum" to make it absolutely clear that the people of the State in a one man, one vote referendum—not a State legislature or a constitutional Convention—are to be given the sole power to authorize this departure from the strict population apportionment.

Thirdly, my amendment would provide that when the people vote for a depart-

ture from a strict population basis for one house, they also be given the opportunity to determine whether the new apportionment will be tested by the people in future referendums, at least every 10 years. The amendment therefore permits, but does not require, that the Federal analogy be ratified by the voters following every decennial census. If the people so chose, this would avoid the freezing of the Federal analogy into the legislative setup of a State and would let the people periodically decide the issue.

I hope that action can soon be taken by both Houses of Congress on a constitutional amendment of the type I am introducing today.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 44) to amend the Constitution of the United States to permit any State to apportion one house of its legislature on factors other than population with the approval of a majority of its voters, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on the Judiciary.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. TYDINGS in the chair). On behalf of the Vice President, pursuant to section 9355 of title X, United States Code, the Chair announces the appointment of the following Senators as members of the Board of Visitors to the Air Force Academy: Senators YARBOROUGH, BREWSTER, and ALLOTT.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE—CHANGE OF CONFeree

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from Georgia [Mr. RUSSELL] be excused from further service as a Senate conferee on House Joint Resolution 234, making supplemental appropriations for the Department of Agriculture, and I request that the Senator from Arkansas [Mr. McCLELLAN] be appointed as a conferee in lieu of the Senator from Georgia.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. EASTLAND. Mr. President, there is pending before the Committee on the Judiciary S. 348, a bill to encourage the preservation and development of a modern and efficient passenger rail transportation service in the northeastern seaboard area by granting the consent and approval of Congress to the States of Massachusetts, Rhode Island, Connecticut, and New York to negotiate and enter into a compact to create their own northeast rail authority, and by guaranteeing certain loans and other credit to such authority.

The Committee on Commerce has expressed an interest in this bill since it

deals with the interstate rail transportation service.

However, under the Legislative Reorganization Act, the Judiciary Committee has jurisdiction to consider compacts generally, and particularly in pursuance to the requirement of the Constitution of the United States as contained in article I, clause 10.

In view of the interest of the Committee on Commerce, the Committee on the Judiciary has authorized that request be made that it be discharged from consideration of S. 348 at this time with the understanding that when the Committee on Commerce completes its hearings on the provisions of the bill that the bill, S. 348, be again referred to the Committee on the Judiciary for the purpose of carrying out its jurisdiction in compliance with the provisions of article I, clause 10 of the Constitution of the United States.

Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of S. 348 at this time and that it be referred to the Committee of Commerce for the purpose of holding hearings and upon completion thereof S. 348 shall be again referred to the Committee on the Judiciary for the purposes previously mentioned.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

JAMES MADISON MEMORIAL— CHANGE OF REFERENCE

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of Senate Joint Resolution 14, and that the Senate joint resolution be referred to the Committee on Public Works. I am told by my legislative assistant that the question has been cleared with the chairman of the two committees, the distinguished Senator from North Carolina [Mr. JORDAN] and the distinguished Senator from Michigan [Mr. McNAMARA], and that the course proposed is the proper course because the bill, which would establish a James Madison Memorial, has heretofore been referred to and considered by the Committee on Public Works.

Mr. JORDAN of North Carolina. The action proposed is perfectly satisfactory with our committee. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS

Mr. MUSKIE. Mr. President, I ask unanimous consent that the names of the junior Senators from Massachusetts, Wisconsin, Pennsylvania, and New Jersey [Messrs. KENNEDY, NELSON, SCOTT, and WILLIAMS] and the senior Senator from New York [Mr. JAVITS] be added as cosponsors to S. 561, a bill to promote intergovernmental cooperation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that at the next

printing of the bill (S. 560), the Federal Installations, Facilities, and Equipment Pollution Control Act, the names of the Senator from Utah [Mr. MOSS] and the Senator from Rhode Island [Mr. PELL] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I have been requested to ask unanimous consent, and I therefore do ask unanimous consent, that the distinguished junior Senator from Maryland [Mr. TYDINGS] be joined as a cosponsor of S. 899 and S. 900 at the next printing of those two bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 969) to amend title 38, United States Code, so as to require the Administrator of Veterans' Affairs to give 6 months' advance public notice of the planned closing or relocation of any veterans' facility, and to provide for at least one veterans' service center in each State, and for other purposes, the names of Senators BIBLE, HICKENLOOPER, YOUNG of North Dakota, and ANDERSON, be listed as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 218) to amend the Federal Power Act, as amended, in respect of the jurisdiction of the Federal Power Commission, which I introduced on January 6, 1965, on behalf of myself and my colleague, the junior Senator from Florida [Mr. SMATHERS], the names of the senior Senator from North Carolina [Mr. ERVIN] and the junior Senator from North Carolina [Mr. JORDAN] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to add the name of the junior Senator from Virginia [Mr. ROBERTSON] as a cosponsor of S. 43, a bill for the relief of Cato Bros., Inc., the next time that bill is printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL TO PROVIDE CONGRESSIONAL REVIEW BEFORE VA CLOSINGS AND TO REQUIRE STATE VA SERVICE CENTERS

Mr. McGOVERN. Mr. President, I have asked the Senator from Delaware [Mr. BOGGS] to add my name as a cosponsor to S. 969, his bill to require the Administrator of Veterans' Affairs to give 6 months advance public notice to the planned closing or relocation of any veterans' facility, and to provide at least one veterans' service center in each State.

The announced closing of service centers and VA hospitals and the announced consolidation of the VA center in Sioux Falls, S. Dak., motivates me to become personally associated with this legislation.

Heated denunciations of VA policy are not enough. The only real and per-

manent answer to this question lies in quick and effective legislation by the Congress. I have carefully weighed the problems involved and I feel that the Congress should direct its immediate attention to the growing curtailment of services to veterans. My State of South Dakota would benefit greatly by enactment of this bill since ours is one of eight States that will be without a complete VA service center if the proposed administration announcement is implemented. Passage of this bill would solve the immediate question of the facility in my State as long as the law is on the statute books. It would also prevent the closing of other VA facilities without congressional consideration.

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of January 26, 1965:

S. 745. A bill to further insure to military personnel certain due process protection by providing for military judges to be detailed to all general courts-martial, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 748. A bill to provide additional constitutional protection for members of the Armed Forces by establishing Courts of Military Review, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 750. A bill to protect the constitutional rights of military personnel by insuring their right to be represented by qualified counsel in certain cases, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 751. A bill to protect the constitutional rights of military personnel by increasing the period within which such personnel may petition for a new trial by court-martial, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 754. A bill to insure due process in the case of certain administrative actions involving military personnel: Senators BAYH, FONG, JOHNSTON, and WILLIAMS of New Jersey.

S. 755. A bill to further insure the fair and independent review of court-martial cases by prohibiting any member of a board of review from rating the effectiveness of another member of a board of review, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 758. A bill to provide additional constitutional protection in certain cases to members of the Armed Forces, and for other purposes: Senators BAYH, FONG, JOHNSTON, and WILLIAMS of New Jersey.

S. 760. A bill to amend chapter 47 (Uniform Code of Military Justice) so as to assure the constitutional rights of confrontation and compulsory process by providing for the mandatory appearance of witnesses and the production of evidence before certain boards and officers, and for other purposes: Senators BAYH, FONG, JOHNSTON, LONG of Missouri, and WILLIAMS of New Jersey.

S. 761. A bill to provide for compliance with constitutional requirements in the trials of persons who are charged with having committed certain offenses while subject to trial by court-martial, who have not been tried for such offenses, and who are no longer subject to trial by court-martial:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued February 11, 1965

For actions of February 10, 1965

89th-1st; No. 27

CONTENTS

Animals.....38	Food.....18	Public Law 480.....1,10
Appalachia.....3	Foreign affairs.....20	Reclamation.....14
Appropriations.....1,10	Foreign aid.....21,29	Recreation.....15
ARS.....1	Foreign trade.....12,34	Research.....25,28,37
Balance of payments.....2	Forestry.....13	Research stations.....1,5
Beef exports.....12	Freight rates.....2	Retirement.....4,27
CCC.....1	Hazardous pay.....4	Scientific research.....25
Committee assignments.....8	Health benefits.....4	Supplemental
Conservation.....11,22	Holiday.....41	appropriations.....1,10
Cropland retirement.....28	Humane treatment.....38	Tariff.....43
Education.....44	Lands.....7,24,26	Tobacco.....32
Employment.....4	Legislative	Transportation.....2,42
Export control.....34	accomplishments.....19	Waste disposal.....33
Fallout.....18	Legislative procedures.....17	Water pollution.....40
alse reporting.....31	Legislative program.....9	Water resources.....7
Family farm.....23	Loans.....33	Watersheds.....35
Farm labor.....6	National parks.....15,36	Wheat.....28
Feed grain.....30	Personnel.....4,27	Wilderness.....36
Fisheries.....16,39	Pesticides.....37	

HIGHLIGHTS: Both Houses agreed to conference report on USDA supplemental appropriation bill. House committee voted to report Appalachia bill. Rep. Roncalio protested proposed closing of Cheyenne Horticultural Research Station. Sen. Sparkman reported progress to increase beef exports. Rep. Andrews introduced and discussed bill to allow planting of soybeans on diverted feed grain acreage.

HOUSE

1. APPROPRIATIONS. Both Houses agreed to the conference report on H. J. Res. 234, providing supplemental appropriations for this Department (pp. 2428-43, 2530-39). The bill had been reported earlier by the conferees (H. Rept. 36) (p. 2469). This bill will now be sent to the President. As passed the bill includes provisions as follows:

Precludes this Department from using funds prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research.

Forbids the use of Public Law 480 funds during fiscal year 1965 to finance the export under title I of any agricultural commodity to the United Arab Republic except when such exports are necessary to carry out the October 1962 sales agreement and if the President determines that the financing of such exports is in the national interest.

A Senate amendment which would have authorized the use of available funds of the Agricultural Research Service for the installation of temperature and humidity control equipment at the Metabolism and Radiation Laboratory, Fargo, N. Dak., was eliminated from the bill.

The bill provides the following amounts, which are the same as those provided by the House and Senate:

<u>Item</u>	<u>Conference Report</u>
Commodity Credit Corporation:	
Reimbursement for net realized losses	\$1,100,000,000
Public Law 480:	
Sale of surplus agricultural commodities for foreign currencies (Title I)	250,000,000
Long-term supply contracts (Title IV)	200,000,000
International Wheat Agreement	<u>50,000,000</u>
Total	<u>\$1,600,000,000</u>

2. BALANCE OF PAYMENTS. Both Houses received the President's message on balance of payments and the U. S. gold position (H. Doc. 83)(pp. 2419-22, 2500-04, 2423-5) in which he stated that American business, labor, agriculture, and Government must work together to maintain stable costs and prices and strengthen our trade position in the world, and that we will strive to eliminate such artificial barriers to U. S. exports as discriminatory freight rates on ocean traffic.
3. APPALACHIA. The Public Works Committee voted to report (but did not actually report) S. 3, to provide public works and economic redevelopment programs and the planning and coordination needed to assist in the development of the Appalachian region. p. D93
4. PERSONNEL. Passed without amendment the following:
 - H. R. 158, to amend the Civil Service Retirement Act so as to permit the recovery of amounts due the Government in the settlement of claims under the Act. p. 2426
 - H. R. 1535, to authorize the Civil Service Commission to establish a schedule or schedules of pay differentials for irregular or intermittent duty involving unusual physical hardship or hazard. p. 2426
 - H. R. 1647, to authorize the Civil Service Commission to provide for the payment of amounts and restoration of employment benefits to certain Federal employees found to have been improperly deprived of such benefits. pp. 2426-7
 - H. R. 1746, to define the term "child" for lumpsum purposes under the Civil Service Retirement Act so as to include an adopted child and a natural child, but not a stepchild. p. 2427

an amount which would cause any amount of leave to his credit to exceed any maximum amount of such leave authorized for such officer or employee by law or regulation.

SEC. 4. The United States Civil Service Commission shall prescribe regulations to carry out the provisions of this Act. Such regulations shall not be applicable with respect to the Tennessee Valley Authority and its officers and employees.

SEC. 5. There are hereby repealed—

(1) section 6(b) of the Act of August 24, 1912, as amended (5 U.S.C. 652(b)); and

(2) that part of the third proviso of the first section of the Act of August 26, 1950 (5 U.S.C. 22-1), which reads: “, and if so reinstated or restored shall be allowed compensation for all or any part of the period of such suspension or termination in an amount not to exceed the difference between the amount such person would normally have earned during the period of such suspension or termination, at the rate he was receiving on the date of suspension or termination, as appropriate, and the interim net earnings of such person”.

Mr. BECKWORTH. Mr. Speaker, H.R. 1647 is identical to H.R. 11753 of the 87th Congress and H.R. 4837 of the 88th Congress, both of which also received the unanimous approval of the Post Office and Civil Service Committee and the House. The legislation is an official administration request of the Civil Service Commission; it is considered a major legislative goal and it is the result of consultations with employee groups and agencies over a period of years.

H.R. 1647 will extend to all Federal employees on a more uniform and equitable basis the existing provisions of law that provide for restoring pay and other benefits to an employee which he may have lost because of an unjustified or unwarranted personnel action that was later corrected by appropriate authority. The bill is basically perfecting legislation. It takes the best elements of existing laws on the subject and consolidates them into one logical, equitable, and comprehensive authority to be applied after an erroneous or unwarranted personnel action is corrected. It does not create any new rights of tenure, review, or appeal for any employee. It requires only that when an employee is involved in an improper personnel action which is later corrected by appropriate authority, the employee be made “whole” financially for pay and other benefits which he may have lost.

A precise statement of the costs of this bill cannot be made without an extensive and costly Government-wide survey. However, no great number of new cases are expected since most adverse personnel actions involving backpay are already covered in some way by existing authorities. Whatever additional expenditures that might result, if any, do not really represent costs as such but represent pay and employment benefits that have been unjustly taken away from an employee and which equity requires be paid back to him as part of the corrective action taken in his case. The Civil Service Commission has already testified that a possible overall savings to the Government could result because the moneys expended as a result of private bills that are considered in every Congress in adverse personnel cases more

than offset any increased expenditures that might arise under this legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFINITION OF THE TERM “CHILD” UNDER RETIREMENT ACT

Mr. MORRISON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1746) to define the term “child” for lump-sum payment purposes under the Civil Service Retirement Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(j) of the Civil Service Retirement Act (5 U.S.C. 2251(j)) is amended by adding at the end thereof the following sentence: “The term ‘child’, for purposes of section 11, shall include an adopted child and a natural child, but shall not include a stepchild”.

SEC. 2. The provisions under the heading “Civil Service Retirement and Disability Fund” in title I of the Independent Offices Appropriation Act, 1959 (72 Stat. 1064; Public Law 85-844), shall not apply with respect to benefits resulting from the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. UDALL. Mr. Speaker, H.R. 1746 is reported unanimously from the Post Office and Civil Service Committee. It is identical to H.R. 3612 of the 88th Congress which also received the unanimous approval of our committee and the House. It is based on an official administration request.

The legislation will relieve a problem the Civil Service Commission has encountered in administering the provisions of the Civil Service Retirement Act dealing with the payment of lump-sum benefits.

In general, the Commission has followed the practice when lump-sum payments are made to the heirs of a decedent, of including all natural children, whether legitimate or not. However, this practice is frequently challenged in some States where illegitimate children are not entitled to inherit even from a natural parent.

This legislation is necessary in order to have uniformity and consistency and in order to avoid misunderstandings, appeals, and litigation. The bill defines a “child,” for the purpose of lump-sum payments, as including an adopted child and a natural child but not including a stepchild. The stepchild is excluded because a stepchild, under most State laws, is not an heir or next of kin, and does not inherit from a stepparent except under the specific terms of a will.

No costs are involved in the legislation—in fact, there will be administra-

tive savings in connection with the adjudication of claims and the elimination of litigation.

ADMINISTRATIVE EXPENSES OF RETIRED EMPLOYEES HEALTH BENEFITS

Mr. MORRISON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1782) to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 4(b) and 6(c) of the Retired Federal Employees Health Benefits Act (74 Stat. 850 and 851; 5 U.S.C. 3053(b) and 3055(c)) are hereby repealed.

SEC. 2. Section 8(a) of such Act (74 Stat. 851; 5 U.S.C. 3057(a)) is amended by adding at the end thereof the following sentence: “In addition, the Government shall contribute annually and there shall be deposited in the Fund amounts for payment of expenses incurred by the Commission in administering this Act.”

SEC. 3. Section 8(b) of such Act (74 Stat. 851; 5 U.S.C. 3057(b)) is amended to read as follows:

“(b) The Fund shall be available without fiscal year limitation for all payments on account of the health benefits plan negotiated under section 3 of this Act, for payment of the Government's contribution provided for by section 6(a) of this Act to agencies of the Government which administer a retirement system for civilian employees of the Government, and for payment of expenses within such limitations as may be specified annually in appropriation acts, incurred by the Commission in administering this Act.”

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HENDERSON. Mr. Speaker, H.R. 1782 is reported unanimously from the Post Office and Civil Service Committee. It is identical to an official administration request of the Civil Service Commission in the last Congress, H.R. 3517, which was unanimously reported from our committee and passed the House without opposition. It is based on an official administration request.

This legislation will relieve a budgetary problem of the Civil Service Commission under the Retired Federal Employees Health Benefits Act by eliminating the arbitrary 2-percent limitation of the Government's contribution for administrative expenses and providing, instead, that a limitation on administrative expenses be fixed annually in the appropriation acts.

The fixed 2-percent limitation on administrative expenses has proved to be too restrictive because, first, total annuitant participation in the program is only 60 percent whereas when the program was established it was anticipated

there would be at least 95-percent participation; second, communicating with thousands of elderly people on a subject which is new and complicated to most of them has proved more costly than anticipated; and third, the program involves a closed group which can only decrease with the passage of time and, as a result, the Government's contribution will continue to decline. Temporary budgetary relief is now being provided by appropriation acts only with the understanding that permanent relief would be granted by substantive legislation.

No additional expenditure of funds is involved in this legislation.

CLARIFYING CERTAIN CIVIL SERVICE RETIREMENT PROVISIONS

Mr. MORRISON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2594) to clarify the application of certain annuity increase legislation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of section 1(a) of the Act of June 25, 1958 (Public Law 85-465), and section 1101(a) of the Act of October 11, 1962 (Public Law 87-793), the words "entitled to receive an annuity" shall, from and after the respective effective dates (August 1, 1958, and January 1, 1963), of the annuity increases provided by such Acts, not include any person whose annuity commencing date occurs after the effective date of the annuity increase involved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HENDERSON. Mr. Speaker, H.R. 2594 is reported unanimously from the Post Office and Civil Service Committee. It is identical to H.R. 8373 of the 88th Congress which received the unanimous approval of our committee and the House, based on an official administration request of the Civil Service Commission.

Enactment of this legislation is urgently needed in order to close a loophole in the Civil Service Retirement Act which, if unchanged, will leave the way open to the draining off of \$65 million in benefits which the Congress never intended.

The bill reaffirms the original intention of the Congress as to the meaning of the words "entitled to receive an annuity" which were in the annuity increase laws enacted by the Congress in 1958 and in 1962. That intention is that the increases provided in annuities should go only to annuitants on the rolls at the time. The phrase, "entitled to receive an annuity," was added only to protect those who actually had a vested right to an annuity at the time but had not yet received a first check. The phrase most definitely did not intend, as a recent court of claims decision has held, that the annuity increases would

eventually go to persons who left Government service with entitlement to a deferred annuity at some date in the distant future.

The civil service retirement fund is already heavily overburdened and enactment of this legislation is urgently needed to prevent an unwarranted raid upon it.

EXTENSION OF REMARKS

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that the statements of Mr. BECKWORTH, Mr. POOL, Mr. UDALL, Mr. DANIELS, and Mr. HENDERSON be inserted in the RECORD following the passage of whichever of the bills just passed to which their remarks may apply.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CALL OF THE HOUSE

Mr. FUQUA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 14]

Abbltt	Dickinson	Mackie
Abernethy	Diggs	Martin, Mass.
Adair	Evins, Tenn.	Martin, Nebr.
Anderson, Ill.	Findley	Mathias
Ashbrook	Fulton, Pa.	Morton
Ashley	Gialmo	Murray
Ayres	Gibbons	Pelly
Baring	Goodell	Pirnie
Bates	Green, Oreg.	Powell
Battin	Griffin	Pucinski
Bell	Hagan, Ga.	Purcell
Betts	Hall	Quie
Bolling	Hansen, Idaho	Quillen
Bow	Hardy	Rogers, Tex.
Bray	Harvey, Ind.	Ronan
Brock	Harvey, Mich.	Roosevelt
Broomfield	Hébert	Roudebush
Burton, Utah	Herlong	Scheuer
Cahill	Hicks	Schneebeli
Callaway	Hollifield	Scott
Chamberlain	Holland	Shipley
Clancy	Hull	Smith, Calif.
Clawson, Del.	Hungate	Stalbaum
Collier	Ichord	Sweeney
Corbett	Johnson, Pa.	Thompson, N.J.
Corman	King, Calif.	Thomson, Wis.
Cunningham	King, N.Y.	Toll
Curtis	Laird	Walker, Miss.
Dague	Lindsay	Watkins
Davis, Wis.	Long, La.	Widnall
Dawson	McClory	Williams
Denton	McDowell	Wilson, Bob
Devine	McMillan	

The SPEAKER. On this rolloall 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. MAHON submitted the following conference report and statement on the bill (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of

the Department of Agriculture, and for other purposes:

CONFERENCE REPORT (REPT. NO. 36)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 234) "making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendment numbered 2.

The committee of conference report in disagreement amendments numbered 1, 3, and 4.

GEORGE MAHON,
ALBERT THOMAS,
WILLIAM H. NATCHER,
ROBERT H. MICHEL,

Managers on the House.

SPESSARD L. HOLLAND,
CARL HAYDEN,
ALLEN J. ELLENDER,
LISTER HILL,
JOHN O. PASTORE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Amendment No. 1—Reimbursement for net realized losses: Reported in technical disagreement. The managers on the part of the House will offer a motion to agree to the Senate language prohibiting the closing of research stations and activities, amended to limit such prohibition to May 1, 1965.

Amendment No. 2—Reimbursement for net realized losses: Eliminates language proposed by the Senate earmarking funds for installation of equipment at the Metabolism and Radiation Laboratory, Fargo, North Dakota.

Amendment No. 3—Public Law 480: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment relating to sales of agricultural commodities to the United Arab Republic.

It is expected that the President will keep Congress currently advised of any actions taken in this connection.

Amendment No. 4—Veterans' Administration: Reported in technical disagreement. The managers on the part of the House will offer a motion to agree to the Senate language prohibiting the closing and relocating of certain Veterans' Administration hospitals, facilities, and services, amended to limit such prohibition to May 1, 1965.

GEORGE MAHON,
ALBERT THOMAS,
WILLIAM H. NATCHER,
ROBERT H. MICHEL,

Managers on the Part of the House.

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes, and ask unanimous consent

that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House for today.)

Mr. MAHON. Mr. Speaker, I know that all Members of the House are vitally interested in the conference report now before us.

The House on January 26 passed House Joint Resolution 234, providing \$1.6 billion for partial restoration of the capital stock of the Commodity Credit Corporation which is required to support agricultural crops, the food-for-peace program, and other activities assigned to it by law.

Upon a motion to recommit the House agreed to language prohibiting the use of any of the funds therein appropriated to sell surplus food to Egypt, or more correctly, the United Arab Republic.

The other body approved \$1.6 billion for the Commodity Credit Corporation but modified the House prohibition. Here on this table are a number of copies of a statement showing what the conferees are recommending; based on agreements reached with the Senate conferees. Anyone wishing a copy can get it here or from the other table. I will explain it, but it is very simple to see if Members will consult it.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. On page 3 of House Joint Resolution 234 is the Senate language which states, in line 10, "and if the President determines that the financing of such exports is in the national interest."

Will the gentleman explain to the House what affirmative action the President has to take to indicate to the Congress and to the American people that he has made such a determination?

Mr. MAHON. I would like to defer direct comment on that for a moment.

Let me say that when the conferees went to conference, I stated that the House conferees felt obligated, of course, to support the position of the House and the House bill. It soon became quite apparent that the conferees of the other body were adamant and would under no circumstances recede from the language which it had adopted as a substitute for the House language. So as a result of the give and take, and in view of the hard fact that we had to reach agreement so as to clear the legislation, we were virtually compelled to agree to the Senate language.

The Senate language is as follows:

Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the sales agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest.

In the explanatory statement of the managers there is this language:

It is expected that the President will keep Congress currently advised of any action taken in this connection.

So it is clearly the responsibility of the Executive to keep Congress advised as to any surplus food provided to the United Arab Republic under the existing agreement during the period from now until July 1, 1965.

Mr. GERALD R. FORD. When it states that the President will keep the Congress advised, does that mean a written notice to the Speaker or the Vice President? If not, by what method will the President keep the Congress advised?

Mr. MAHON. I offer the observation that we should be provided, through the committees of the Congress, with the information. Certainly the leadership of the Congress should be provided with the information. This, of course, would include the gentleman from Michigan. I do not believe we will have any difficulty here. I want it to be perfectly clear that we expect to be advised. We did not change the language of the Senate amendment, but we did include the language in the statement of the managers to provide for such notification by the President.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield further?

Mr. MAHON. I am glad to yield to my friend.

Mr. GERALD R. FORD. As I understand it, the President has to make an affirmative declaration or determination that the sale of surplus agricultural commodities to the United Arab Republic is in the national interest. He then has to communicate that determination or declaration to the Congress and that will be made public in the usual course.

Mr. MAHON. I believe this is right. This is the same sort of procedure that was used during the Eisenhower administration when aid was provided to Yugoslavia. It has been done on various other occasions. In other words, we are raising a flag of caution in expressing this concern and reluctance to allow this aid to the United Arab Republic. But we are saying that in the light of the circumstances if the President determines this to be the national interest, he is authorized to do so. It gives him the sole responsibility. I think under the circumstances this is about as good as we could do.

It is true that the United Arab Republic has not conducted itself appropriately and has not treated the United States with proper consideration in some matters in recent weeks and on some prior occasions. The United Arab Republic had the audacity to indicate to our Government that, after the expiration of the present agreement, which will be on June 30 next, it wanted to enter into new sales agreements for surplus foods. The disinclination that was rather firmly expressed by our Government to enter into further agreements as long as Nasser was conducting himself in the way that he had conducted himself precipitated this issue.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman from Florida.

Mr. HALEY. In simple terms what the conferees have done is to strike down the language of the so-called Nasser amendment and bring a report back here in which you have agreed to accept two amendments by the other body which were not germane to the original bill. That boils it right down in plain simple language; does it not?

Mr. MAHON. What the conferees did was to modify the House language and agree to the Senate language to prohibit the sale of surplus commodities to the United Arab Republic—with the proviso, however, that if the President made an affirmative determination that sales under the existing agreement, which expires June 30, were in the national interest this could be done. And as the President of the United States who received a 15-million vote majority last November, surely we can trust him in this matter in view of the fact that he is the Commander in Chief of the Armed Forces and President of the United States and must take the leadership in dealing with matters having to do with our international relations.

Mr. MICHEL. Mr. Speaker, will the Chairman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. MICHEL. For the sake of keeping the record straight, when the gentleman refers to sales under Public Law 480, the amendment was limited to sales under title I. We never did disturb whatever arrangement the President in his discretion might have had with respect to making agreements under other titles of that legislation. I believe the record ought to be clear that we confined it to title I sales.

Mr. MAHON. The gentleman is correct.

The conference report knocks out an amendment involving a laboratory in North Dakota. The Senate receded on that item.

With respect to research and research facilities in the Department of Agriculture, language had been added in the other body which would prohibit the closing of various research stations and research activities which the Department announced on December 31. In conference, it was agreed that no further action should be taken on these closings or other reductions in research prior to May 1, 1965.

The other body, in amendment No. 4, provided:

No funds heretofore appropriated to the Veterans' Administration shall be utilized for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring or reducing of services heretofore made available to veterans.

Here again, we made a minimum change in the Senate language. We agreed, after consultations, to insert language providing that no action shall be taken prior to May 1, 1965, to close out

or to phase out facilities which had been slated for closing as publicly announced on January 13.

These matters will be taken up in separate motions after we have disposed of the conference report itself. The conference report, itself, includes only the language striking out amendment No. 2 relating to an installation in North Dakota. After we have adopted the conference report, we can then consider the language involving the agricultural research stations and the Veterans' Administration facilities.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. ARENDS. I should like to ask the chairman if he will clarify for me exactly what the amendment pertaining to veterans' hospitals means? Does this mean that up until May 1, everything will go back to the situation existing at the time the original order to close these hospitals was issued? Will the hospitals again admit patients and proceed as before until Congress has an opportunity to further look into the whole matter? To say the least, the Congress should have some voice on a matter of such far-reaching importance to our veterans.

Mr. MAHON. We are assured that actions will not be taken to close or phase out these facilities prior to May 1. Some of the hospitals slated for closing had already stopped taking patients. They cannot restore patients who have been there but who have gone to other hospitals. But these hospitals will resume taking patients and will conduct business as usual, so I understand and have been assured, until May 1. Then whatever action is taken at that time will have to speak for itself.

Mr. ARENDS. In other words, they will go back into operation just as they were prior to the issuance of the order?

Mr. MAHON. That is my understanding.

Mr. ARENDS. I thought that yesterday afternoon that a perfectly reasonable and sound agreement had been reached; that this program would not be effectuated until the end of the fiscal year. They operate on a fiscal year basis. I do not understand why we should depart from it, and why we who appropriate funds for each fiscal year should not have full opportunity to consider this matter on that basis. Although one of the hospitals scheduled to be closed is in my district, I am not at the moment addressing myself to it or any of the others, but rather to the policy and procedure. Congress must be given full opportunity to thoroughly and exhaustively go into the whole matter.

I might say in passing this is the first time in the many years I have been in Congress that I knew we had conferees that were not appointed either by the Senate or the House.

Mr. RUMSFELD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. RUMSFELD. A moment ago the gentleman made reference to a 15-million-vote majority that President John-

son received and that this was the reason for trusting and giving him discretion to deal with the Nasser situation. In reading this mimeographed sheet which you have apparently prepared, I note that there are four amendments. If I am correct, it seems to me that amendment No. 1 concerning the closing of agricultural research facilities, and No. 2 on the same subject, and No. 4 on the closing of veterans' facilities are all an attempt by your committee and your conferees to limit the discretion of the President. I wonder what the dual standard is and why in these three cases you want to take away the President's discretion that you feel he merits because of his plurality and majority which he received in the last election.

Mr. MAHON. I merely want to note in passing that the President is entitled, in view of the fact that he is our Commander in Chief and our spokesman in foreign affairs, to our full confidence in the area of international affairs. It does not mean that he will always be right. We agreed in conference to the language which circumscribes the actions of the President to some extent on this question of food sales to Egypt.

We do not give anybody a blank check or abdicate our authority as Members of Congress, because we have confidence in the Congress. However, we had to have a meeting of the minds before we could have final action on this legislation, which is urgently needed because of the financial straits of the CCC.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. MICHEL. I think it should be pointed out that the three amendments the gentleman from Illinois referred to were not initiated by this House but came from the other body. So far as our own rules are concerned, they would not be germane here in the House.

Mr. MAHON. It is generally unwise to undertake to attach controversial and unrelated matters to emergency legislation of this type—to restore the capital stock of the Commodity Credit Corporation, or otherwise. But the rules of the other body permitted the adding of these extraneous items and of course they were added. If we were to have an agreement, we had to have a meeting of the minds. So we did the best we could in achieving a meeting of the minds. I think that most Members of the House will be willing to go along with the action of their conferees.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. You mentioned about the rules of the Senate providing for these extraneous things and that the rules of the House would prohibit us from doing that. What I would like to know is, is it going to be the policy of your committee to capitulate and accept all of these extraneous amendments of the Senate during the rest of this session, or would you favor trying to change the rules to avoid that and give this

House an equal status with what the Senate has?

Mr. MAHON. I think the gentleman should answer his own question. We did not capitulate in this instance, so I hope we will be able not to capitulate in the future.

Mr. JONES of Missouri. You have admitted that this is an extraneous, non-germane amendment that was put on in the Senate and which could not have been put on in the House.

Mr. MAHON. That is right. But it was added by the Senate and was before the conference for consideration. We had to get an agreement. That means give and take. We were importuned by many Members of the House to include the exact language of the Senate. We did not do that. I think we were fortunate to be able to work out an agreement which may be reasonably acceptable to the great majority, even though not totally acceptable to anybody.

Mr. JONES of Missouri. In other words, you think that the Senate rules and the House rules are comparable as far as equity is concerned and that they give the Members the opportunity to express their wishes?

Mr. MAHON. The Senate rules, of course, are not the same as the House rules. But I must say that this is not the time, as I see it, to undertake to discuss the rules of the Senate.

Mr. JONES of Missouri. I think under the rules of the House, even in the amended form it was supposed to have turned up, this thing could have been handled and voted on by the House as to its germaneness and whether or not it would be subject to a point of order. I have expressed my opinion on that before and I hope to continue to do so, and I hope that this House will soon rise to restore its dignity and responsibility and not be knuckling under to the other body.

Mr. MAHON. I thank the gentleman for his contribution.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman.

Mr. ANDREWS of North Dakota. A moment ago we were talking about the Veterans' Administration facilities that are to be closed. I am led to believe by the chairman that he spoke with the full faith of the President when he said that these closings will be held in abeyance until May 1, to give such time to the proper committees of Congress to hold public hearings and thoroughly discuss these matters so that no precipitate action would be taken prior to that time, and so that our veterans and our people back home will have the opportunity to be heard. Is that a correct statement?

Mr. MAHON. I would like to say again that the good faith of the administration is involved here. The administration has agreed to suspend the closing, the phasing-out of these installations between now and May 1.

Mr. ANDREWS of North Dakota. Until May 1; so that our people back home will have the opportunity to be heard on the record.

Mr. MAHON. Yes. But let us be utterly frank and say that the action by

the House today with reference to May 1, does not mean that installations of the Department of Agriculture or the Veterans' Administration will not be closed. The same would be true if the date were June 30, as in the original Senate amendment. There is no way that I know of to compel an executive, regardless of his political faith, to spend money that he does not want to spend or to keep open installations which he is determined to close.

So it would be a cruel thing if the action taken by the House today were to be interpreted by Members of the House or interpreted by our constituents and friends at home as meaning that closings are off indefinitely and that things will proceed as before, or that there will be no modifications or change in the future. I think that needs to be made crystal clear at this point.

Mr. ANDREWS of North Dakota. This will give time for the people back home to be heard. What they want is their day in court.

Mr. MAHON. This agreement on a May 1 date affords that opportunity.

Mr. ANDREWS of North Dakota. I thank the gentleman.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. MAHON. Mr. Speaker, I yield to the very able chairman of the great Committee on Veterans' Affairs, the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, our committee, as we have announced before, will hold as complete hearings as possible on this matter. We have already asked the administration to send someone up and tell us what our policy is going to be on Government hospitals in this country; whether one branch of the Government has a different policy than another branch. Our committee intends to hold these hearings and come up with some kind of affirmative action, if we can, and we are concerned about being faced with this deadline and putting this language into law.

Mr. MAHON. There will be no closing or suspension of any of these facilities, or phasing-out of any of these facilities, before May 1. The gentleman and his committee could bring in legislation to this body reflecting the view of his committee in the matter. But, in my opinion, there is no certain way of legislating an effective mandate to keep these installations open.

Mr. TEAGUE of Texas. Does the gentleman have reason to believe that the administration will accept this language if we adopt it here today?

Mr. MAHON. I talked with the President this morning about the matter and he assured me that, while he regrets very much this delay—he says it will cost several million dollars additional—he wants to be cooperative with the Congress. He recognizes the responsibilities of the Congress and he indicates to me that he will go along with the will of the Congress on the date of May 1 and take no further action toward the closings in the meantime, I think this is fair and reasonable.

Further, Mr. Speaker, permit me to say that some are probably wedded to the June 30 date, which is the end of the fiscal year. The President will be just

as free at the end of the fiscal year as he is on May 1 to implement any closing of installations that he might desire. There is, legislatively, no way that I know of to absolutely prevent the closing of installations that an executive is determined to close.

Mr. TEAGUE of Texas. Mr. Speaker, if the gentleman will yield further, I would like to take this opportunity to inform the Members of the House that our hearings will begin on February 18. We shall be glad to hear every Member who wants to be heard and we shall be glad to listen to anyone who desires to testify on this matter. Then we shall undertake whatever action is necessary and proper under the circumstances.

Mr. MAHON. Is the gentleman from Texas reasonably pleased with the action which has been taken today by the conferees?

Mr. TEAGUE of Texas. Yes, Mr. Speaker. As I see it, if we do not adopt this, then they will go ahead closing them right now. But if we do adopt this we at least gain about 75 days. That is the way I interpret it.

Mr. MAHON. In which to consider the matter.

Mr. TEAGUE of Texas. In which to hold the hearings. But if we do not adopt it then the closings are taking place now. They are not taking in any more patients and evidently facilities are going down and down. If we adopt this, it gives the Congress at least 75 days in which to attempt to take affirmative action.

Mr. MAHON. It gives the Congress about 75 days in which to take action. As quick and decisive as we sometimes are in these bodies, we ought to be able to take some action in that time.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentlewoman from Ohio.

Mrs. BOLTON. My question is simply this: When you say "close on the 1st of May," does that mean you start the 1st of April getting everyone out and everything else out of the way so that the doors will be closed on the 1st of May, or begin the closings on that date, if other action is not taken?

Mr. MAHON. May I say to the gentlewoman from Ohio that the closing actions will not be implemented, according to the agreement which has been reached and according to the interpretation which I have of it, until May 1.

Mrs. BOLTON. If the gentleman will yield further, simply stated, I do not understand the meaning of the word "implemented." That is what I am asking. What is the meaning of it?

Mr. MAHON. They would not begin to turn them out on April 1 in order to close them on May 1. They would not begin vacating the facilities or closing them or limiting their operations until May 1.

Mrs. BOLTON. If the gentleman will yield further, there is no vacating of anything then until May 1?

Mr. MAHON. That is correct.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. MICHEL. I would like to add at this point that it is my understanding, when the chairman refers to suspension of further closings, that in an instance like our hospital at Dwight, Ill., where they have already made some move to implement the proposed closing, where the patient load has already dropped, conceivably by saying "suspend from here on," we have already been brought down to a 50-percent level.

Now, does it mean we continue on in that fashion until May 1 or does it mean, as I believe we agreed, that everything will be restored to full capacity until May 1? To me that means backing up if they took a step that is contrary to the best interests of what we feel necessary for the veteran?

Mr. MAHON. I would say they would be compelled under the agreement to resume the taking of patients in the hospitals.

Mr. MICHEL. Up to the full patient load?

Mr. MAHON. They would proceed as they have been operating.

Mr. MICHEL. What happens if they have already disposed of some of the people, attendants, and doctors?

Mr. MAHON. That is, of course, an administrative problem. I do not think we need to bother here about everything of that kind. They have to do the things as best they can and on as reasonable a basis as they can, and I believe they will.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. The gentleman realizes the difficulty today of consideration by the Veterans' Affairs Committee of this matter. As I understand it, all of the veterans' organizations are anxious to come and appear before the committee.

A great many representatives of people concerned with these hospitals want to come here. We can look forward to extended hearings. I think that can be taken for granted, and that will be confirmed by the chairman of the Committee on Veterans' Affairs.

The gentleman from Texas is a dear friend of mine and a very able, distinguished leader of this House for whom I have the greatest respect and affection. However, that does not obscure the keen disappointment that I feel because the conferees have not come up with a more feasible, practicable, and fairer solution to the very serious problems arising from the proposed closing of Veterans' Administration facilities.

I note that under the conferees agreement relating to the closing of these facilities, the language forbids action on the closing prior to May 1, 1965.

As I have stated, Mr. Speaker, I honestly do not believe that is sufficient time to give the House committee, or the committee of the other body, adequate opportunity to hear from those who desire to be heard on this matter and at the same time fully review and prepare appropriate legislation to be presented to the House, if that be indicated, as I think it would be.

Even the earlier agreement deferring the closings until the end of the fiscal

year would leave all too little time for full consideration of the questions involved here which would have to do with proper hospitalization, care, and treatment of thousands and thousands of veterans.

The savings resulting from these closings are picayune as measured by the large amounts we are spending and the money we are giving away each year to other nations and to much less worthy causes than that of the veteran and his dear ones.

These closings, which strike at the very heart of the medical rehabilitation program, were undertaken by the Veterans' Administration without warning or advance notice, and without any effort to elicit the opinions and advice of congressional leaders and Members who are informed about the operations, results, and needs of the program.

I respectfully submit that the postponement until May 1, as worked out by the conferees, is an inadequate answer not only to those Members of Congress who have VA facilities in their States affected by the closing order, but also to our loyal veterans and to the many faithful employees who have so ably and efficiently staffed these facilities.

I earnestly hope that the amendment will not prevail and that the House will give our congressional committees on both sides of the Capitol adequate time to consider and act in these vital matters.

Mr. MAHON. It seems to me we have worked out a reasonably good compromise. Seventy-five days will give Congress time to consider and act.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding. I think the gentleman has brought to the floor of the House something very constructive in the way of an assurance with regard to these hospitals not being further reduced in capacity, and not being in any way damaged further during this time interval.

If the gentleman will permit I would like to address a question to the chairman of the Committee on Veterans' Affairs to determine whether the hearings he proposes to begin on the 18th will not only go into the question of the reasons and justifications for the closing, but also go into the several bills that are pending before the committee, and the services within individual States, and to increase the beds that are already authorized for a veterans hospital.

Mr. TEAGUE of Texas. I must inform the House the hearings that we hold will be on every bill that pertains to veterans' hospitals that are in our committee. In fact, we are going to go a little further; we are going to ask about the overall hospital situation, the switching of patients back and forth, where the Public Health Service, the military, and other hospitals are involved.

Mr. MAHON. I think the chairman of the Committee on Veterans' Affairs will do a good job.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. ARENDS. Has the gentleman any idea what the Senate will do so far as agreeing to the conference report that we are passing now? It might be a conjecture on his part, but I would like to know.

Mr. MAHON. I would feel uneasy in speculating about what the other body might do, I will say to the gentleman.

Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL].

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Speaker, I hope that what I have to say at this time will be considered by all as no desire on my part to minimize in no way the affection, the esteem and good will which I have for the great Committee on Appropriations, and for its new chairman, who I think is one of the finest legislators it has been my privilege to serve with in the Congress.

However, I do wish to state my opposition to the conference committee report as it relates to amendment No. 4. We must consider the amendment as it comes from the other body, whether we like it or not. We are not judges of the procedures used by the Members of the other body.

The matter and the method by which it is brought before us is so very difficult to explain to our constituents. It seems to me that we should be very careful in protecting the integrity of this body and of the Congress generally.

I have two questions I would like to direct to my good friend, and a great chairman, the gentleman from Texas [Mr. MAHON].

The first question I should like to direct to the chairman of the committee is as follows: Has there been any request for additional money for the purpose of carrying on the responsibilities of the Veterans' Administration in the discharge of its duties, particularly in keeping open the hospitals during the remainder of fiscal 1965.

Mr. MAHON. From my present knowledge I would say no, but we have received in the last few days some supplemental requests for fiscal 1965. I have not had an opportunity to look at them, but I think they deal with such things as pay costs and so on, but nothing for medical care.

Mr. ASPINALL. It is my understanding that if there had been any deficiency they would have requested additional funds.

The statement has been made that \$23 million will be saved by this action by the Executive. Is such saving of \$23 million for the rest of this fiscal year, or annually for the ensuing fiscal years, by the action of closing down the hospitals and merging the regional offices involved?

Mr. MAHON. The annual savings are said to be in excess of \$23 million for fiscal 1966. I would assume that would accrue every year.

Mr. ASPINALL. That is the way I understand it.

It has always been my understanding that when the Congress of the United States places its approval on an appropriation for a fiscal year and the agency charged with the administration thereof stays within its appropriation, then the Executive should permit the moneys to be spent in accordance with the approval made by the Congress and the Executive of such appropriation. What bothers me so much in this instance is this. May I in the beginning say that I am not at this time arguing the point of the veterans or others in their desire to have the hospitals remain open. Until I have evidence to the contrary I feel that the hospitals should remain open. I am here at this time, however to defend the principle of Government which says that once having made an authorization and an appropriation in conformity therewith by our action, and it having been approved by the Executive, we have a right to see to it that that policy first of authorization and secondly of appropriation continues until some valid and open argument can be made against it. In this particular instance the Executive has seen fit to go contrary to the wishes of Congress and the wishes that he himself expressed when he signed the appropriation bill. He made his recent decision, I am told, on the proposition that it is economically expedient at this time to close these hospitals. Maybe it is economically expedient. I do not know. But I think that in any case it is a matter that should come before the Appropriations Committee as that committee listens to the requests for funds for the coming fiscal year. I do not feel that we should at this time accept the order of the President closing the hospitals for the balance of this fiscal year. I see no difference between using the date of May 1 as against July 1. I know the pressure the gentleman from Texas [Mr. TEAGUE] is going to be up against if we go ahead with the Senate amendment—as the Senate proposed it or as the conference committee recommends. It is going to be tremendous. It is my position that the regular procedure of the Congress should be for the committee headed by the gentleman from Texas [Mr. MAHON] to study the request made by the agency of the Government having jurisdiction. If justification can be made to continue the hospitals, then they or any of them should remain open. If these operations cannot be justified, their funds should be denied and the hospitals closed.

Mr. MAHON. This has been an area of discussion every since the gentleman from Colorado and the gentleman from Texas have been in Congress. Under the law all departments of the Government when they get the money appropriated may vary in certain instances as the year progresses. They may cancel certain operations or they may withhold the expenditure altogether. I remember this happening on occasion in the Roosevelt administration, the Truman administration, and in the Eisenhower administration. It is a good question and one that periodically gets ventilated. I know of no way to forever resolve that problem. But the gentleman poses a valid ques-

tion: Why should the Executive not do with the money exactly what was intended when we appropriated the money? Generally speaking it does.

Of course, under the antideficiency law the Executive has the clear power to impound savings in appropriations arising from changed circumstances or greater efficiency of operations.

Mr. ASPINALL. In reply might I state this. This is not a decision which has been made by the local directors. This is a move from the top down. It comes from the Veterans' Administration and its regional offices and personnel. When I was home just this last weekend, I told my constituents that the director of the local hospital in Grand Junction had not told me in December when I visited the hospital, as I always do each year, of the prospective closing. He replied by letter which I received yesterday that there was a good reason he did not. He said he did not know about the closing of the hospital himself until 1 hour before the news broke on the radio announcing that the hospital was to be closed. Now I do not know just how one surveys a hospital to find out whether or not it is carrying on its activities as planned. However, it seems to me that Congress has not been kept advised, as it had a right to expect that it would be, in matters of such vital importance to it and the people whom they represent.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I am glad to yield to the gentleman.

Mr. GROSS. Is not the immediate question which is giving so many Members concern at this moment the question as to whether the executive branch by inserting the May 1 date in this bill cannot do in the interim that which the Congress does not intend that they should do?

Mr. ASPINALL. The proposition seems to resolve itself into this—the Executive can do as he pleases. In this instance the Executive can do it on the first of May whether the Congress wants him to do so or not. Just the same as the Executive apparently felt that he could do it on the first of March whether the Congress wished it or not. As far as the extra 60 or 75 days are concerned, it is not going to make it any easier for you and me. The fight shall continue. I intend, if possible, to see to it that a case is made for whatever may be the final action. It is my personal feeling that in this matter there is more involved than just dollars and cents. Most certainly agency ambitions are to be found—the desire for bigness as such, the present trend for living in metropolitan areas as compared to rural or less populous areas. No questions were asked when our veterans responded to their Nation's call for help as to whether they lived in country, town, or city. A loved one's trip to a hospital 2 to 300 miles distant can be expensive and difficult, too.

What we need is sufficient time for an inclusive and logical study of the whole matter.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Speaker, I would like to direct a question relating to amendment No. 4 to the chairman of the Committee on Appropriations.

The question is this: If any Member of the House of Representatives detects action on the part of the Administrator of the Veterans' Administration that such Administrator is violating either the letter or the spirit of this amendment, and so advises the chairman of the Committee on Appropriations would the chairman of the Committee on Appropriations be constrained to call a special meeting of our committee and ask the Administrator to come before this committee for the purpose of explaining his actions and answering such other questions as might be asked?

Mr. MAHON. I think we would give serious consideration to that. The Administrator has assured me he will cooperate fully in carrying out the agreement and I believe he will. But if there were valid complaints I think we would want to recognize the situation and deal with it.

Mr. FLYNT. I thank the gentleman from Texas. I would certainly say in view of this language and in view of the fact that some 2 months would be proposed to cutoff the original language of the amendment proposed and adopted by the other body that the utmost good faith will be expected and required of the Administrator of the Veterans' Administration.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from Illinois yield so that I may ask the chairman of the Committee on Appropriations a question?

Mr. MICHEL. I yield to the gentleman.

Mr. GERALD R. FORD. There has been some discussion in the last 24 or 48 hours about the critical situation concerning the availability of funds in the Commodity Credit Corporation. I believe the last information conveyed to the House was to the effect that there were ample funds for 5 days or so. Is that the information that the gentleman from Texas has and would he give assurance to the House that this is the situation so that whatever happens to this bill we here in the House of Representatives will have taken the proper action?

Mr. MAHON. I would say that the Secretary of Agriculture and members of his staff assure us that they can cope with the fiscal emergency of CCC for a few more days. It is very difficult for them to do it, because the Commodity Credit Corporation is out of money and it can no longer provide support loans on agricultural commodities. But they tell me that if we can get this bill through in 4 or 5 days, the consequences will not be disastrous. The action we are taking today is with the full knowledge of Secretary Freeman, with whom I conferred today.

Mr. GERALD R. FORD. And this information was given to the chairman this morning?

Mr. MAHON. That is correct.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I might say to the distinguished minority leader that if there has been any good which has come from the current dock strike, I suspect this might be a part of it, because if there were no strike, then the Commodity Credit Corporation, with the ships untied in New York and other ports, would have to pay. They are foreclosed from doing so now because of that strike.

I should like to make it clear that although I signed the conference report, I did so only for the purpose of getting it out on the House floor so that Members could work their will, because without my signature on the report, we would not have been able to come to you. I signed it very reluctantly and with those reservations, knowing that the House would want an opportunity to work its will.

I have only one other comment on this matter of the grand savings which are to be made with respect to the closing of Veterans' Administration hospitals. I hope Members will not become too exercised over the couple of million dollars supposedly involved, when the President, on the other hand, says it is perfectly proper for us to spend an additional \$37 million to send grain and whatnot to the United Arab Republic. It seems rather ridiculous in the one case to use the "economy kick" and then turn around to double, triple, or quadruple the figure for some foreign country, rather than to make an expenditure in our own country.

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. REID of New York. Mr. Speaker, I should like to pose one question to the chairman. I understood the distinguished chairman, in the colloquy with the distinguished minority leader, to indicate that the President must make an affirmative determination with regard to the national interest in respect to amendment No. 3 before approving the export of any agricultural commodity under title I of Public Law 480 to the United Arab Republic in fiscal year 1965. I also understood the gentleman to say he believed a clear flag of caution had been raised by the Congress. I understood him to mean that this touched on the question of the United Arab Republic's shipment of arms to the Congo, United Arab Republic intervention in the Yemen, and any threats to peace in the Near East flowing from recent Arab summit conferences; the formation of an Arab joint military command; proposed diversion of the headwaters of the Jordan River; and threats to the peace of the area generally. Is that a correct understanding?

Mr. MAHON. I believe the gentleman has made a correct statement. I notice that the gentleman was quoted the other day as saying that he believed Mr. Nasser had "gotten the message." I hope so and I appreciate the gentleman's position.

Mr. REID of New York. I merely wish to add that I rise in support of amendment No. 3. I believe that the principle of flexibility for the President in the conduct of foreign affairs is vital and essential, and I intend to support it.

Mr. MAHON. I thank the gentleman.

Mr. Speaker, I now yield 8 minutes to the gentleman from Mississippi [Mr. WHITTEN] who is chairman of the Subcommittee on Agricultural Appropriations and who by all means should be heard in respect to these matters.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I did not sign this conference report. Since I was quite active in passing the House bill, I want to tell Members why. At the same time I want to say that the major-

ity, who did sign the report, did the very best they could.

I might go further to say that in view of the acute situation facing the Commodity Credit Corporation, had it required my signature, doubtless I would have felt compelled to sign the report.

However, my purpose in not signing it is to maintain my own consistent position and to bring to you just what is involved in this situation. These are not matters that the President has gone through and selected as being wasteful. Involved in this is a directive from the

executive department to cut expenditures and I understand the same applies to the Veterans' Administration. Your Department of Agriculture, instead of taking funds from the big operations where doubtlessly cuts might be made with a minimum of loss in results, picked small activities which were scattered throughout the United States which, while small in amounts and small in number, may be the only ones in that area and may be vital to a particular segment of agriculture. The Department, for example, has announced it is cutting out the following:

U. S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., December 31, 1964.

REDUCTIONS IN RESEARCH

I. All research discontinued at 20 locations at a savings of \$1,254,300 (92.9 man-years):

Place	Type of research	Funds	Man-years
Petersburg, Alaska	Fur animal research	\$41,000	3.0
Glendale, Ariz.	Poultry nutrition and physiological research	59,500	4.8
Clarkedale, Ark.	Weed control research	15,000	1.0
Fontana, Calif.	Breeding and disease research on rabbits	74,700	8.0
Pasadena, Calif.	Forest trees research	28,000	1.0
Quincy, Fla.	Biology and control of insects affecting shade-grown tobacco	24,000	2.0
Fleming, Ga.	Soil and water management practices for lower coastal plain and tidewater lands	52,400	6.0
St. Anthony, Idaho	Dryland moisture conservation practices and tillage	13,000	1.3
Bedford, Ind.	Hardwood research	43,000	3.0
Bogalusa, La.	Tung nut research	154,100	4.0
Huntley, Mont.	Soil and fertilizer management	22,300	2.0
Durham, N.H.	Clover disease and soil erosion research	44,500	2.0
New Lisbon, N.J.	Cultural practices on pine-oak forests and watershed management research	91,000	8.0
Albuquerque, N. Mex.	Aerial methods of reseeding of rangelands	50,000	1.0
Newell, S. Dak.	Soil and water management, water resources, hydrology of stock ponds, beef cattle feeding and management	165,800	11.0
Puyallup, Wash.	Utilization research on berry and vegetable products	37,300	3.0
Morgantown, W. Va.	Watershed hydrology and watershed management	14,000	1.0
Lancaster, Wis.	Soil and water management practices	63,500	5.8
Wausau, Wis.	Yield and quality of wood from maple trees	50,000	4.0
Cheyenne, Wyo.	Breeding of horticultural crops	206,200	21.0

II. Complete lines of research eliminated at 33 locations at a saving of \$2,340,600 (man-years 171.1):

Place	Type of research	Funds	Man-years
Anburn, Ala.	Bamboo culture	\$7,100	1.0
Albany, Calif.	Research to improve processing of sugarbeets	164,500	10.0
	Composition and properties of various types and varieties of rice	79,800	5.0
	Research on the composition of castor beans and their processing into meal and oil	100,000	7.2
	New crops: Utilization studies on species of oilseeds having potential as economic replacement crops for those in surplus	79,600	5.0
Davis, Calif.	Castor bean breeding and diseases	52,900	2.0
Pasadena, Calif.	Research to improve processing of sugarbeets	4,900	
	Composition and properties of various types and varieties of rice	2,800	
	Research on the composition of castor beans and their processing into meal and oil	8,000	1.0
	New crops: Utilization studies on species of oilseeds having potential as economic replacement crops for those in surplus	2,300	
Belle Glade, Fla.	Harvesting, decorticating, and retting ramie, kenaf, and sansevieria	220,300	19.0
Athens, Ga.	Research equipment for controlled placement of fertilizer and seed	18,000	1.0
Cairo, Ga.	Tung research	32,900	4.0
	Culture, breeding, and disease research on sugar sorghum	7,100	1.0

Place	Type of research	Funds	Man-years
Experiment, Ga.	Cordage fiber breeding and culture evaluation of new fiber crops	\$600	
	Research on sesame and sugar sorghum production and new introductions of castor beans	4,300	1.0
Savannah, Ga.	Bamboo culture	58,000	8.0
	Cordage fiber breeding and culture evaluation of new fiber crops	600	
Tifton, Ga.	Control of insects attacking rye	13,800	4.7
Peoria, Ill.	Research on improved use of molasses	12,200	1.0
Hays, Kans.	Soil moisture evaporation control related to rotations and tillage practices	7,900	1.0
Houma, La.	Research to improve processing of sugarcane	49,400	3.0
New Orleans, La.	do	168,700	11.0
	Composition and properties of various types and varieties of rice to guide milling and processing	70,100	5.0
	Development of new and improved industrial products from tung oil	93,400	6.0
	New crops: Utilization studies on species of oilseeds having promising potential as economic replacement crops for those in surplus	128,900	9.0
Meridian, Miss.	Culture, breeding, and disease research on sugar sorghum	54,100	3.0
State College, Miss.	House foundation problems on plastic clay subsoils	5,000	
Mitchell, Nebr.	Research on irrigation practices for corn, field beans, and alfalfa	57,500	4.0
University Park, N. Mex.	Reclamation, nutritional and soil studies for irrigated land	22,500	1.0
Geneva, N.Y.	Research on control and methods of detecting European chafer and treatment of infested nursery stock	21,500	2.9
Ithaca, N.Y.	Research on breeding, feeding, and management of fur animals	31,300	4.0
Raleigh, N.C.	Evaluation of potential fiber crops	800	
Stillwater, Okla.	Harvesting and farm handling of castor beans	54,000	4.0
	Control of insects attacking rye	4,200	.2
Woodward, Okla.	Water problems in dryland soils caused by soil compaction and management practices	15,100	1.0
Philadelphia, Pa.	Improved methods and new food products for maple and honey	285,400	20.0
	New crops: Utilization studies on species of oilseeds having potential as replacement crops for those in surplus	120,000	8.0
Upper Darby, Pa.	Studies of forest fire occurrence and suppression methods to combat forest fire disasters	10,000	1.0
Rapid City, S.C.	Utilization of Black Hills ponderosa pine timber in forest products	23,000	2.0
Brownsville, Tex.	Breeding cotton varieties resistant to insects	15,000	1.0
Bushland, Tex.	Research equipment for controlled placement of fertilizer and seed	44,000	3.0
College Station, Tex.	Evaluation of potential fiber crops	1,500	0.1
	Storage of sesame seed stocks, culture, and disease control	59,500	3.0
Logan, Utah	Research on biology and control of insects affecting sugarbeets and vegetables	14,000	1.0
Prosser, Wash.	Utilization research on fruit and vegetable products	43,900	3.0
Pullman, Wash.	Research on infectious diseases of fur animals	52,600	3.0
Madison, Wis.	Research on breeding, feeding, physiology, and management of fur animals	9,000	

III. Research eliminated at Beltsville and Hyattsville, Md., and in Washington, D.C., at a savings of \$1,520,000 (104.8 man-years):

Type of research	Funds	Man-years
Fertilizer research	\$492,800	33.0
Elimination of Clothing and Housing Research Division	550,400	40.0
Reduction of agricultural engineering research on housing	3,000	

Type of research	Funds	Man-years
Elimination of all food wholesaling and retailing research under marketing research	\$224,700	18.0
Production research on fibers other than cotton	55,000	3.7
Research on bamboo production	500	
Fur animal research	25,600	1.0
Tung research	34,300	
Production research on sesame	2,600	
Research on castor beans	66,000	4.0
Rye research	21,800	1.1
Research on sugar sorghum	12,800	1.0
Agricultural engineering research on fertilizer and seed placement	30,500	3.0

IV. Elimination of livestock research conducted under cooperative agreement in 19 States, at a saving of \$327,600:

Place	Type of research	Funds	Man-years
Davis, Calif.	Bloat in cattle	\$4,800	None
	Ornithosis in poultry	10,700	None
	Beef cattle research	7,200	None
Fort Collins, Colo.	Mucosal disease of cattle	16,100	None

Place	Type of research	Funds	Man-years
Storrs, Conn.	Air sac disease of poultry	\$16,100	None
Newark, Del.	do	13,400	None
Urbana, Ill.	Dairy cattle breeding research	9,900	None
Lafayette, Ind.	Mucosal disease of cattle	21,500	None
	Dairy cattle breeding research	4,700	None
	Swine breeding research	4,200	None
College Park, Md.	Bloat in cattle	6,500	None
Amherst, Mass.	Air sac disease of poultry	13,400	None
East Lansing, Mich.	Swine-breeding research	4,300	None
St. Paul, Minn.	Ornithosis in poultry	6,500	None
	Air sac disease of poultry	10,700	None
	Beef cattle research	30,100	None
St. College, Miss.	Bloat in cattle	4,800	None
Reno, Nev.	Beef cattle research	4,600	None
Ithaca, N.Y.	Bloat in cattle	9,700	None
	Air sac disease of poultry	15,600	None
Raleigh, N.C.	Beef cattle nutrition research	2,100	None
Corvallis, Oreg.	Ornithosis in poultry	8,600	None
Brookings, S. Dak.	Swine-breeding research	4,200	None
College Station, Tex.	Ornithosis in poultry	31,100	None
	Air sac disease of poultry	13,000	None
	Dairy cattle breeding research	4,200	None
Blacksburg, Va.	Air sac disease of poultry	13,400	None
	Beef cattle research	7,400	None
Madison, Wis.	Bloat in cattle	7,700	None
	Dairy cattle breeding research	21,100	None

So it goes with many small projects which are very important to the areas in which they happen to be.

Let me say to you also there is another thing involved in this. You know, since I have been in the Congress the executive department has always tried to get the right to veto appropriation bills by item. That is what this amounts to. Remember that most of the time it is not your President making the selection. It is some fellow down the line in the Bureau of the Budget or in the Department of Agriculture who wants his way. I am sure that is where most of these items selected for elimination originated, just as sure as I stand here.

It is said that what they really want is to save some money. Last year it was the Committee on Appropriations, with your support, which cut the President's budget more than \$4 billion. We held weeks of hearings in trying to meet the needs of our colleagues and their constituents all over the United States, working in close partnership and harmony with the Department of Agriculture. This I have done for 15 years as chairman of this Subcommittee on Agriculture. They do not have to advise our committee that they are cutting this out as they did here. The announcement to the public said, "We will save this much money in fiscal 1966." I was led to believe—perhaps I should not say it that way—at least I did not understand it that way—I thought I had been advised over the phone that these cuts would be made in this year's budget request for next year, where your committee would have a chance to consider these matters. Let me repeat again that here is a directive to the operating branch of the Department of Agriculture to eliminate this work and have it out of sight by April 20.

Your committee went to conference and in the conference yesterday we thought we had this matter worked out, and we signed the conference report as House and Senate Members who would have postponed these eliminations until the end of this fiscal year where, through our relations with the Department of Agriculture, we could sit down and determine whether or not we needed to save

some money in these areas, and whether it was wise to cut out 100 or so tiny projects which may not be major in the Nation, but which are very important to those areas and to the industry they serve, or whether we should curtail and restrict some of the big research operations in the big centers. This drive to have everything big and in the city sometimes comes from Federal employees. They like to see the bright lights. Some of these people in these veterans' institutions want to be where they can socialize with other folks in their profession. Not that a veterans' hospital in Idaho or Montana or other areas is not needed by the veterans, but it is a case of the professional people wanting to be somewhere else. I understand some of these are new hospitals, and are much bigger than the Hill-Burton hospitals which we sponsor.

I am not too familiar with that, but I am familiar with the efforts of the folks in the Bureau of the Budget through the years to have their right, through the President, to the item veto. That is what this is. That is a situation where they do not counsel with or even advise the committee and do not talk to the committee or give you a word as to why these things are eliminated, but they just simply announce that they are cut out. It is an item veto, and when it comes up before us connected with the Commodity Credit Corporation, on which so much in this country depends and which is bankrupt now, I say to my colleagues that our conferees had a tough job to face.

I do not have any criticism of my colleagues on this conference who signed the report, because they were faced with an absolute necessity. I want to be truthful. Had it taken my vote, I would have had to sign, too. If we in our relationship with the executive department cannot have an understanding that some of these things, if they come up, will be told to us so we can have a hearing and act of them, then certainly I cannot go for this kind of thing; I know last year the people who saved the money in the budget were the Members of Congress.

That was more than some \$4 billion below last year's request by the President.

I say to you that involved in this is the question of who is going to have the power to do what. Certainly the executive department cannot be made to spend a dime by us. On the other hand, the executive department cannot make the Congress appropriate a dime. That being true, what kind of fix would the country be in if each set out to show the other that they could not run them? We would be at a stalemate.

This has always been a partnership operation between the executive department and the Congress with understanding required on both sides, with action taken after the hearings which are conducted in great detail. Then we reach a common ground, which must have the President's signature. When it comes to the point where the executive cannot follow a course jointly agreed upon for at least 12 months we are in a bad way.

The action by the executive branch making this conference report necessary, might well have waited until the new fiscal year or at least until hearings could have been held. The course which has been followed I believe to be a step in the wrong direction. I truly hope that hereafter, we may return to a day of joint action, of common understanding. This feeling will lead to more savings in the long run, based upon full testimony.

Mr. COLMER. Mr. Speaker, I desire to associate myself with the remarks of my colleague from Mississippi [Mr. WHITTEN], the chairman of the Subcommittee on Appropriations dealing with agriculture, in his statements concerning the false economy movement by the administration in the closing of certain research programs.

I particularly want to address myself to the strong desirability of continuing the research in the tung oil industry. This commodity is produced in a limited area of the continental United States. To be more specific, its production is confined to the Coastal Plains of the States of Florida, Alabama, Mississippi, and Louisiana with a small production in the eastern portion of Texas. By far,

the greatest production is in my own congressional district of Mississippi.

Tung oil is an oriental product. Its production for years was limited to Asia and particularly China. Because of its unique qualities and particularly as a drying oil, much of it is used in naval construction. For this reason the U.S. Government, as a result of its experience in World War I, when it was impossible to obtain this oil, initiated and encouraged its production in this country. Only about half of the tung oil consumed in this country is produced domestically. During the recent World War II the Government found itself again in short supply.

So strategic and necessary is this product that the Congress saw fit a number of years ago to add it to the list of agricultural commodities to receive a parity support price.

Since the tung tree is not native to this country, it has been necessary to carry on a research program in which the Government has been the major contributor.

Among the difficulties and problems on which research has been going on for several years and which is going on presently was the development of a tree which would withstand late frost. Much progress has been made in this area but there is still much to be done.

The sudden announcement, not by the Congress but by the administration, that this research, so essential to this infant industry, was to be summarily terminated came as a great shock to the producers of this necessary product. It is hard to believe that the administration would take such drastic action in this field under the guise of economy. This is especially true when we view the professed interest of the administration in its so-called war on poverty.

Mr. Speaker, permit me to illustrate this point. A number of years ago before the advent of tung, Pearl River County, Miss., was near the bottom of the economic ladder of the 82 counties in Mississippi. This was due to the fact that this county's economy was largely based on the production of timber and wood products. The timber had been cut from the land with the result that the sawmills no longer were able to offer labor and other opportunities. Then the enterprising people of that county, particularly the former sawmill operators such as Messrs. Crosby and Rowland, in an effort to rebuild the economy pioneered in the growing of tung. The result, after years of hard work and capital risk, was that the economy of the county continued to improve until today when Pearl River County is near the top of the economic ladder in my State—largely if not totally as a result of the production of tung oil. People from all over the United States have invested their money in this infant industry.

Mr. Speaker, I ask how inconsistent can we be. Here the administration with one hand proposes to spend billions of dollars in its so-called war on poverty while at the same time, with the other hand proposes to set back, if not in fact liquidate an infant industry, developed

by private capital, which has been responsible for preventing a section of our people from becoming poverty stricken. I wonder if the President or those responsible for this cruel proposal realize how inconsistent they are. I certainly hope, Mr. Speaker, and I beseech those responsible to take a new look at this proposal before permitting it to become final.

Mr. Speaker, in this connection and for the benefit of the RECORD I submit herewith a statement by the American Tung Oil Association on this vital and important question:

STATEMENT BY THE AMERICAN TUNG OIL ASSOCIATION ON BEHALF OF THE TUNG INDUSTRY ON TERMINATION OF ALL USDA TUNG RESEARCH, JANUARY 1965

The proposed termination of all USDA supported tung research came as a shock to the tung industry, and, in our opinion, would be a most unwise move on the part of the Department of Agriculture.

The Department of Agriculture has played an important part in the expansion of the tung industry from its beginning. Since 1958, more than 200 technical reports have been prepared by USDA staff members, and another 200 reports have been delivered to the tung industry on practical applications of the Department of Agriculture's research.

This need has not ended. Higher costs of living and increasing prices on labor and farm supplies make it necessary that the industry (1) cut cost of production; (2) increase the value of its commodity; or (3) decrease losses resulting from spring cold.

Research is the basis for growth; it is the true foundation of our Great Society. Remove research and you remove the stimulus that keeps our economy strong.

Taxation to run our country skims the top off from profits, and research puts the profits there to be skimmed.

Because of the importance of tung oil to our consuming industries and to national defense; because of the importance of the tung industry to the area where tung is grown; and because of the importance of the partially completed programs in both production and utilization research; the industry feels that termination of this research would be detrimental to the general good of the tung growing areas and our Nation in general.

I. IMPORTANCE OF TUNG OIL TO INDUSTRY AND TO NATIONAL DEFENSE

Our Government, including the Department of Agriculture, encouraged the rapid growth of our industry during World War II, and all of the tung oil produced during the time of this war was taken over by the Government for strategic purposes.

The unique qualities of tung oil make it vital in many areas where substitutes cannot be found. The rapid dry and low water absorption of tung oil coatings, plus their exceptional durability, make them ideally suited to defense equipment and installations, and their use in this area is increasing. Because of this durability, tung oil coatings were selected as the base for intumescent, fire-retardant paints developed by the Southern Regional Research Laboratory, with the sponsorship of the U.S. Army Engineer Research and Development Laboratories. These coatings will be used extensively by the Armed Forces, once their development is complete.

If our country is ever forced into another war, tung oil will again be a vital commodity in the war effort, and our Government cannot depend on any source of supply except the domestic industry. Our industry has never produced as much tung oil as is needed in this country.

II. IMPORTANCE OF TUNG OIL TO THE AREA WHERE IT IS GROWN

The tung industry was the best antipoverty measure that could come into the area which is now the Tung Belt, providing an agricultural crop for thousands of acres of land unsuited to other agricultural crops, and providing work for many thousands of laborers, both skilled and unskilled, most of whom would otherwise be dependent on public relief. Surplus labor is drawn from areas many miles from the Tung Belt, thus contributing to the economy of this entire area.

As an example, the largest tung growing county, Pearl River County, Miss., was at the very bottom of all Mississippi counties in per capita agricultural income in the early 1930's when tung was introduced. By the time the tung industry was firmly established in the county, it had raised per capita farm income to the point where the county was and still is in the top five counties in the State. The same relative situation exists throughout the whole domestic tung belt, including Florida and Louisiana.

There is every indication that the need for the tung industry will continue during coming years. The land is still not suited to other agricultural crops except pine and pastures. There is an abundance of land available for these two crops—land too low or too wet for the growing of tung. And at the same time both cattle and timber fluctuate greatly in value, making them unsound as the only basis for an area's agricultural economy. The tung industry has added substantially to the diversification of the area's agriculture.

III. IMPORTANCE OF TUNG PRODUCTION RESEARCH PROJECTS

In production research, there are four basic uncompleted projects, which are far enough along to show exceptional promise. These four are:

1. Breeding for a new variety of tree which will bloom late enough to escape spring cold;
2. Discovering a growth inhibitor which will hold back spring growth on present plantings, making the trees bloom late enough to escape spring cold;
3. Finding a practical way to control leaf spot, which reduces oil content in tung fruit;
4. Developing a coordinated system of harvesting and handling tung fruit.

The first two projects are set up to meet our greatest tung production problem—losses from spring cold. In the past 20 years, tung growers have lost 20 percent of their potential production because of spring cold and consumers have lost a lot of tung oil. The solution of this one problem would pay every year more than the Department of Agriculture is now putting into all tung research.

Progress has been made. Trees having some of the desired characteristics have been found and crosses and back-crosses have been planted and are being supervised by USDA personnel on land donated by growers, and at State experiment stations. However, several more generations of trees will be necessary to isolate the desired characteristics and to combine them into a single variety.

Over a hundred inhibitors have been tested, several which indicate that they may be valuable. But the results have been achieved in laboratory studies only and must be confirmed in the field.

Both of these projects need time. Stopping them now would not only waste all the work done up to this point, but would rob growers of the possible breakthrough that may come next year, or the next. Unless research in the development of a late blooming variety and growth inhibitors is continued, grower interest in replanting their old orchards no doubt will decline, and the economy of the area will be adversely affected.

Leaf spot is our second most important problem. During years when the fungus is bad, USDA tests prove that it costs the grower as much as \$15 per ton of whole fruit—almost 25 percent loss to the growers. Tests are well underway to find the best means of controlling the disease—orchard sanitation, spraying, resistant trees, etc. Progress is being made here too but again, we need time.

The most rapid increase in grower costs is in the area of harvesting. A complete harvesting and handling system must be developed, including new methods of planting, ground preparation, harvesting, handling harvested fruit, field hulling, preparing fruit for the mill. The USDA has been working on this problem for several years, but their work in this area is far from complete.

IV. IMPORTANCE OF TUNG OIL UTILIZATION RESEARCH PROJECTS

While tung growers in the United States and Argentina finance tung utilization research amounting to 14 professional man-years annually through their own Pan American Tung Research and Development League, the importance of this area of research makes it necessary that the Southern Regional Research Laboratory continue their program to supplement the work done by the growers. There is a close coordination between the Pan American League and the SRRL to avoid duplication of effort.

The fire-retardant paint which is now undergoing improvement at the SRRL will save untold lives and property once it has been completed and approved. This project sponsored by the U.S. Army Engineer Research and Development Laboratories must not be stopped until it is completed, for the saving in lives alone will make it worth however many dollars are put into its development.

Fundamental information on the composition of tung oil and its derivatives is quite limited at the present time. However, because of the unique chemical structure of tung oil, scientists are now beginning to recognize the tremendous contributions that can be made to science and human living through the study of tung derivatives.

SUMMARY

In the short span of 25 years, a crop with no previous horticultural history was developed into a profitable industry which filled the economic needs of an impoverished area of our country. This accomplishment was possible because of research by the Department of Agriculture and a willingness on the part of the grower to accept the recommendations of USDA personnel.

The potential of this crop has not been reached in this short period. Tung oil is not in surplus—there has never been enough oil produced in the United States to fill domestic needs.

If this proposed action were taken, the personnel now employed in tung research would no doubt be moved into areas where they are needed less than they are in their present positions. Most of them have spent their entire professional careers working on tung. Transferring them to other fields of interest would not save the Government any appreciable amount of money, and would decrease their value to agricultural research.

The value of this research to the tung industry is beyond question. The total elimination of this work would be a shock from which the industry might never recover. And the value of the tung industry to our Government, our consuming industries, the area where tung is grown, and to our general economy, is exceedingly greater than the small cost of this research.

Mr. MAHON. Mr. Speaker, I would like to try to explain the parliamentary situation. We are about to vote on the conference report which deals only with

amendment No. 2 relating to a laboratory item in North Dakota. The item is dropped. That is the conference report. After we have adopted the conference report we shall then give consideration to the agricultural research stations in one of the amendments; in another amendment we shall give consideration to the so-called Nasser matter; and then in another we shall give consideration to the veterans matter.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 13, insert: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used to formulate or administer a program to eliminate agricultural research stations or lines of research until after the Congress has considered and acted upon such plans for the elimination of research in its regular consideration of the research appropriation estimates for fiscal 1966."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research."

Mr. MAHON. Mr. Speaker, this is self-explanatory. It is just a matter of inserting a date.

Mr. STRATTON. Mr. Speaker, I rise in opposition to the motion. I oppose this motion because I do not believe the compromise wording agreed to by the conferees will have any meaningful effect on the actions of the Department of Agriculture in its projected closing of these research stations. We merely postpone these closings for 2½ months. We do not halt the closings until the Congress can have an opportunity to act on the whole matter, which is what the original Senate wording would have done.

Mr. Speaker, I am concerned particularly with the projected closing of the Maple Products Laboratory at the Department's Eastern Regional Research Laboratory at Philadelphia. The closing of this Laboratory would be a heavy blow to the maple sugar and maple sirup industry which plays such a large part in the economy of New York State and the district which I have the honor to represent.

The Maple Products Laboratory is not in the category of laboratories in competition with other facilities doing the same work. This facility is unique in the country, perhaps in the world, with accomplishments to its credit that have given a substantial boost to the maple sirup producers from Maine to Minnesota

and as far south as Virginia. Hundreds of farms in New York State are dependent upon maple products for cash incomes. These cannot increase or even be maintained without continuous research by capable scientists, such as those few in the Philadelphia Laboratory. They have advanced the processes of sap collecting and sirup making substantially, to the benefit of the producers. Their projects are aimed at the attainment of even more efficient procedures, and toward the production of higher quality products to delight all who relish the maple flavor on their pancakes.

New York State is, of course, one of the top producers of maple sirup and maple sugar. The action of the Department in closing this Laboratory will therefore have a very harmful effect on many many farmers who supplement their already limited incomes with maple production. This blow will be especially heavy in view of the already serious economic impact of the 1965 drought on dairy farmers in the same areas where most of the maple production takes place.

Similarly, the action of the Department in terminating the project on European chafer research will be costly and detrimental to the nursery industry in New York State.

This pest is known to exist in parts of New York, Connecticut, New Jersey, and Pennsylvania. Since 1940 New York State has been using funds in continuing research on this problem. The USDA research supplemented this, but there was no overlap and the cooperation has been excellent. The responsibility of the Federal Government in this research is long-range control over a pest that can be troublesome and costly. Experience has shown that as the pest spreads, more and more nurseries must come under regulation. For instance, when the European chafer is within one-half mile of any nursery, that nursery must be treated with a protective pesticide so as not to contaminate plants moving from one location to another and out of State. You can readily see the lack of tight control now can lead to ever-increasing expenditures by regulatory agencies of the Government and by private nurseries.

The purpose of the research at the agricultural experimental station at Geneva is to find better and more efficient ways of controlling the European chafer, thereby cutting down on long-range costs, both private and governmental. This is the real danger in the discontinuance of the research at Geneva—it is short-sighted economy. I feel that the research by the USDA at Geneva should continue. In the long run it will benefit New York and the nursery industry in New York. At the same time it will have beneficial effects on control of the pest in neighboring States and elsewhere in the country as well.

For these reasons, Mr. Speaker, I oppose the motion. If, as I hope, the motion is defeated, I shall then move that the House recede from its position and concur in the original amendment No. 1 of the Senate.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 3, line 1, strike out: "Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act" and insert: "Provided, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 3, line 18, insert:

"VETERANS' ADMINISTRATION

"No funds heretofore appropriated to the Veterans' Administration shall be utilized for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:

"No funds heretofore appropriated to the Veterans' Administration shall be utilized prior to May 1, 1965, for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

Mr. MAHON. Mr. Speaker, this matter was discussed somewhat during the consideration of the conference report. I think the issue has been thoroughly debated and made very clear.

Mr. JOELSON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New Jersey.

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Speaker, I have read with much regret the proposal of the Veterans' Administration to close 11 Veterans' Administration hospitals as well as certain regional offices of the Veterans' Administration.

I believe that such a course is shortsighted and constitutes false economy. I

would like to serve notice that I intend to oppose such action in any way possible.

Mr. MAHON. Mr. Speaker, I will say that when we conclude the consideration of this matter I shall ask unanimous consent for all Members to revise and extend their remarks in connection with this conference report and these problems which are in disagreement.

Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. MORRIS].

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Speaker and my colleagues, it is indeed with a great deal of reluctance that I take the floor this afternoon in opposition to the motion which has been offered by the gentleman from Texas [Mr. MAHON]. There are several reasons for my reluctance but primarily it is because of my great admiration for the gentleman from Texas as a gentleman and as a distinguished Member of this body, who has a record of service of which any man would be proud. Also, he is a neighbor of mine as his district in Texas joins the State of New Mexico.

Mr. Speaker, another reason I am reluctant to do this is because I have just been assigned to the Committee on Appropriations of which the gentleman from Texas is chairman. He sits at the fountainhead of power of one of the most powerful committees in the Congress of the United States. Were it not that I knew of my own personal knowledge what a fair and just man the chairman of our committee is, I would probably not have the courage to get up here on this floor and try to defeat a motion of which he is the author.

Mr. Speaker, I believe the chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL], put his finger right on the real heart of this question. This does not just involve veterans' hospitals, my colleagues. This involves a fundamental issue of trust between the branches of the Government.

Now, Mr. Speaker, I do not mean to infer that the people in the executive branch of Government are any less sincere in their efforts and do not think they are right any more than I think that those of us in the legislative branch of Government have an exclusive monopoly on intelligence and sincere desire to do what is best for our country.

Mr. Speaker, I do not know whether we can keep any veterans' hospitals open or not. If this motion is voted down, which the gentleman from Texas [Mr. MAHON] has pending at the desk—and I hope it will be—I intend to offer a preferential motion. Mr. Speaker, that the House recede in its disagreement with the Senate and concur in the language of the Senate in amendment No. 4. This would not do anything except change the date from May 1 to the date contained in the Senate language. This is the end of the fiscal year.

What does this do? This does not say that the hospitals and these offices are going to remain open. It only assures ample time for a fair and impartial hearing for these items to be heard on

their merits, not just on whether or not it will save dollars. You can save dollars if you want to cut off aid to Vietnam. You can save \$2 million a day. But who in Congress would be so ridiculous and absurd as to say that is the best way we should save dollars.

Mr. Speaker, I do not know what will be the final outcome of this issue. I know it will not be resolved here, and I doubt it will be resolved at the end of this fiscal year whether the motion offered by the gentleman from Texas prevails or whether we vote down his motion and accept a preferential motion accepting the Senate language.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Illinois.

Mr. ARENDS. I think the gentleman's position has merit for one reason; namely, it is unlikely this House will pass the appropriations bills, including the Veterans' Administration appropriations bill, prior to May 1. In other words, where would you get funds to do what the Senate has recommended? We will not have the opportunity through the regular appropriation bill because that will not be considered by this Congress by that time, so therefore, I think there is merit to the gentleman's position that we go to the end of the fiscal year.

Mr. MORRIS. I might point out to the Members, as I understand the present plan of closure, if nothing is done the actual mechanical locking of the doors, and transferring the patients and equipment out, begins on April 1 of this year. Under the compromise language it begins May 1.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, the thing I want to emphasize has just been stated by the gentleman from New Mexico in a colloquy had with the gentleman from Illinois [Mr. ARENDS].

Mr. Speaker, I just want to emphasize again that this House should know what it is doing, if it does not already know, and that is that you will close these hospitals by this action. As was well pointed out you just as well might close them now as to let it go to May 1.

In other words, what you are saying, as the gentleman from Texas, the distinguished, able and courageous leader of the Committee on Veterans' Affairs [Mr. TEAGUE] pointed out in a colloquy with his colleague from Texas, the other able, distinguished and courageous gentleman, [Mr. MAHON], that there will be an almost impossible hurdle erected here against any future action in the closing of these hospitals because there will not be an opportunity for further legislation by May 1.

Mr. Speaker, I just wanted to point this out. I do not know the merits of each hospital, but I think the House ought to know what it is doing. I repeat, if you adopt the proposed amendment you are closing these hospitals.

I cannot refrain from again calling your attention to the fact that the rules of the House are not followed in the other body, and we make it permissible for them to put extraneous matter on our

legislation that would be subject to a point of order in the House. Then when it comes back here our hands are tied, in that we have to take the bad in order to get the good. That is what happened when this bill went from the House to the Senate.

I have had a resolution pending in the Rules Committee for well over a year now that would stop that practice, but we have not been able to get it out of that committee. You are going to be confronted with this kind of situation until the rules are changed. My resolution simply provides that if an amendment offered on a House bill would be subject to a point of order in the House, then it would be subject to a point of order when it came back from the Senate after the Senate put it in. The adoption of my resolution would save you a lot of trouble. I just wanted to again point this out for your future consideration.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I oppose the motion. I believe the action of the Veterans' Administration in this connection is doing a particular hardship to New York State.

As I have already said earlier, the closing of three VA hospitals in New York State will do a grave disservice to our veterans, particularly in the rural areas. The closing of the domiciliary facilities at Bath, for example, will mean that elderly veterans will either have to be moved far outside their home community, thereby adding the factor of loneliness to complicate their cure, or else it will mean that these veterans are just dumped onto their home communities to become a charge to other agencies of the Government at the local level. In either case, there will be no real saving to the taxpayer and there will certainly be a grave impairment in the care being given to needy veterans.

The notion that veterans hospitals should be located only in large metropolitan areas puts veterans in rural areas at a serious and improper disadvantage. As one who has the honor to represent a rural area in this House, I am completely and unalterably opposed to this latest VA policy.

If this motion is defeated, Mr. Speaker, as I hope it will be, I plan to move that the House recede from its position and concur in the original Senate amendment No. 4.

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Speaker, the gentleman from New Mexico deserves applause for his courage in refusing to concur with any compromise closing VA facilities on May 1. I should like to associate myself with his remarks.

Whether or not we agree with the procedures used by the other body, they have given us a chance to keep the issue of VA closings alive until July 1, the end

of this fiscal year. If their rider is modified substantially by our conferees, we may be forced to go back to a situation in which Congress must accept the arbitrary decision of the Veterans' Administration, the Bureau of the Budget, or whomever is responsible for the order. Complete and thorough hearings should not be constrained by a May 1 deadline.

By prohibiting until July 1 any expenditure of funds for the purpose of closing VA facilities, the rider attached by the other body is the tool we need to get a fair hearing on the decision. It might change the status of this decision from irrevocable to a status more amenable to modification.

Let every Member who agrees our veterans should not suffer impaired or delayed service from the VA support the move by the gentleman from New Mexico and refuse to agree to the May 1 compromise date.

I hope the ayes and nays are ordered. Every Member should be on record on this issue. The veterans of America are watching the action of the House today.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. OTTINGER].

(Mr. OTTINGER asked and was given permission to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I should like to be recorded against amendment No. 4 because it gives us too short a time to adequately consider and take action to rectify the order for closing veterans' hospitals.

I am in favor of substituting a motion to recede from the conference position and concur with the language of the Senate amendment suspending action on the order until the end of the fiscal year, July 1, 1965.

The order to close these hospitals was made precipitously. No investigation was made. The Veterans' Administration has made generalizations about the lack of need for these facilities, their allegedly dilapidated condition, and inefficient operation, difficulties of obtaining staff for them, and so forth, but has supplied no solid facts on a hospital-by-hospital basis.

At Castle Point Hospital, at any rate, these generalizations are inapplicable. The hospital is a beautiful facility, in good condition and well maintained, financially efficient, with a good staff and no difficulty obtaining qualified help of all kinds.

Some 200 volunteers, undoubtedly unobtainable in our cities, help feed, clothe, entertain and care for the patients. There has always been as many applicants for use of the hospital as there was funds to permit admission. There seems no good reason for closing this facility and if this situation is typical, the order should be rescinded.

But, even if it were found that these hospitals, though in good condition, must be discontinued for veterans' use, they should not be closed precipitously. At a time when there is a desperate shortage of hospital beds in this country, when there are so many new hospital needs for narcotic care, mental patients, and so forth, it seems a crime to close good, operating facilities.

Orderly provision should be made for carrying on the work of these facilities through other programs if their use as veterans' hospitals must, indeed, be discontinued. At the present time the Veterans' Administration has ordered the immediate and absolute shutdown of these perfectly good facilities. If this order is permitted to stand, they will go to waste. That would be a great shame and an unnecessary and economic loss to the public.

The Congress should have time to study the situation of each hospital. It should be enabled to investigate the need for their continued use for veterans. If this need cannot be justified, adequate provision should be made for the transfer of new functions to them, and their veterans work should only be phased out as the other work is phased in. Otherwise useful facilities will be lost despite our need for them, and great disruptions will be caused to the communities in which these facilities are located.

Mr. Speaker, I would like to see this amendment No. 4, giving only 75 days to study and act on this problem, defeated. I urge my colleagues to vote the amendment down.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, the allegation has been made that the Veterans' Administration hospitals that are being closed are in remote and inaccessible areas and that they are old and outdated. This simply is not the case with reference to the VA hospital in my hometown of McKinney, Tex.

The city of McKinney is a part of the metropolitan area of Dallas and is considerably closer in time to the Southwestern Medical School than is the city of Lisbon in which is located the Dallas Veterans' Administration hospital.

As recently as 1958, major repairs, installation of air conditioning and other modernization projects were made at the McKinney VA Hospital and the facility has at least 7 to 10 more years of life without any major repairs.

At the time of the closing directive, the McKinney VA Hospital, with a 271-bed capacity, had 279 patients in the hospital; also, 74 veterans were on the McKinney Hospital waiting list at the time, plus 345 in their CBOC followup program.

The only item at issue at this time is whether or not the Congress will knuckle under and allow the Veterans' Administration to close 11 badly needed veterans hospitals. Our elderly veterans need every VA hospital that we now have, and more. As a matter of fact, only today the Committee on Public Works, of which I am a member, passed out an administration request for \$40 million for new civilian hospitals in the Appalachian region alone.

I hope that Members of this House will give an overwhelming vote in favor of the veterans of this country.

The SPEAKER. The time of the gentleman has expired.

[Mr. RESNICK addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MAHON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this is the final amendment. You are being urged to vote down the pending motion which stays the hand of the Veterans' Administration for some 75 days during which the Congress can take any further action it may desire to take with respect to veterans' facilities.

Mr. Speaker, it is a little difficult for me to understand why a few of my colleagues in the House would want to vote down this motion to stay the hand of the Administrator for 75 days. Please bear in mind that this matter has been agreed to by the conferees. The representatives of the other body have agreed to the May 1 date. We have an assurance of a 75-day stay in the matter.

Do we want to gamble with the probability of reopening the conference by voting down this motion? Do we want to gamble and take that chance, when the conferees of the other body have said that they are agreeable to the approximately 75-day stay as provided in the motion now before us? Those of us who are interested in doing whatever we appropriately can do for our veterans and for these installations will be inclined to think twice before we undertake to vote down this proposal which gives this 75-day stay.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. STRATTON. Would the chairman not agree that if the motion is voted down, it would then be in order to move that the House recede from its position and concur in the Senate amendment which blocks these closings without restriction as to time?

Mr. MAHON. But the modification to the Senate amendment has been agreed to in conference by the representatives of the other body and the Senate amendment as now modified is the result of a conference agreement. The date is May 1. The Senate amendment originally ran to the end of the fiscal year, June 30. So I do not see any practical alternative under all the circumstances.

Of course, we could vote the motion down. But in my opinion this would not be the thing to do. I sincerely trust that the Members of the House will vote to sustain our conferees in arranging for this 75-day stay.

Mr. Speaker, I have no further requests for time.

The SPEAKER. All time has expired.

Mr. HARSHA. Mr. Speaker, first, let me say that I am appreciative of the efforts of the conferees in obtaining this small grace period of at least 75 days before the Veterans' Administration wields the ax on various veterans installations around the Nation, but I hardly think that 75 days is sufficient time for the Congress to hold adequate hearings and make a proper investigation into this very serious matter and develop the necessary legislation to stop this unconscionable action by the Veterans' Administration.

The Congress has in good faith established these hospitals and VA centers on behalf of the veteran, recognizing his

great service to this Nation, and this action by the administration breaks faith with the veteran and his family.

I, therefore, would hope, Mr. Speaker, that this House will vote down amendment No. 4 and support the privileged motion that will be offered by the gentleman from New Mexico to accept the original Senate amendment to this bill which would give the Congress an additional 60 days, totaling 135 days in all, to conduct this investigation. The few dollars that may be conserved by granting Congress this additional 60-day period are nominal, and the damage done to the veteran and his family and the resulting consequences thereof will far exceed any meager savings the administration may hope to achieve.

There are many, many other programs in which comparable savings could be realized instead of the VA program. For example, we could save some \$37 million by refusing to send our tax-supported subsidized farm commodities to Mr. Nasser, of Egypt, but no, this administration apparently would rather help Mr. Nasser than the veterans of this country.

Again, Mr. Speaker, I repeat, I hope this House will have the courage to vote down amendment No. 4 and accept instead the Senate version prohibiting the VA from further action until the end of the fiscal year.

Mr. RONCALIO. Mr. Speaker, I want the very able chairman of the Appropriations Committee to know that I very much appreciate the difficult role that is his today in reporting to this body the conference report on this bill. Three wholly unrelated and vital subjects are at stake.

I oppose the administration position on amendment No. 1. I find it inconsistent to support the closing of the Rocky Mountain West's only horticultural station specializing in ornamental shrubbery and then support an administration position calling for beautifying America. I should like to believe in the latter. Therefore, I oppose the closing of the installation. My remarks at the outset of today's session in this House deal with the Cheyenne horticultural station. Administration arguments for economy fall flat, hollow, and insincere in light of the overall administration program.

I now join the gentleman from New Mexico [Mr. MORRIS] in his opposition to amendment No. 4 to this report because I believe it is false economy. It actually appears to be blatant cynicism to hear talk of closing hospitals for economy on one hand and to appropriate in the tens of millions for hospital care for the aged, which we shall be called upon to do later in this session.

I believe this amendment should be defeated to at least give us time to hold hearings and make intelligent determinations, free from pressures so obvious here today.

I do not vote against my leadership lightly. I voiced my approval of the Nasser continued aid and voted for that amendment, amendment No. 3.

However, amendment No. 4 poses a conflict in the administration position and what in my opinion is the best interests of the veterans of Wyoming. There-

fore, I shall vote against the administration and with the war veterans of Wyoming.

Mr. DULSKI. Mr. Speaker, the proposed closing of several Veterans' Administration facilities in our State of New York is one of the most cruel and unwarranted actions our Government has undertaken in its many years of providing adequate care and rehabilitation programs for our deserving veterans.

As one of the richest nations in the world, which these veterans helped to preserve in two major struggles for survival—and those who are fighting today in Vietnam—are we going to tell them that we must cut down on their medical and rehabilitation facilities simply because it has been decreed that this is economically wise? Shame on us if we have reached a point where we must economize on the care of our veterans, yet at the same time we can afford to spread billions of dollars all over the globe with reckless abandon.

Not too many months ago, Congress enacted legislation to create an anti-poverty program. This had my support, and I feel it has great potentialities.

Many veterans and their dependents, who will be affected if these Veterans' Administration facilities close, are in the poverty category now. The added burden that will be placed upon them, if we succumb to this heartless proposal, will only place them deeper in the throes of poverty, or put them there if they were not already in the poverty category.

We create legislation to combat poverty, and then we turn around and create poverty. This just does not make sense.

I shall cite a very recent example of what happened to a Buffalo veteran because of the scheduled closing of the Veterans' Administration hospital and domiciliary at Bath, N.Y. This 60-year-old veteran, an 8th Army veteran who served in Europe during World War II, has been unable to work at his trade as a painter because of lung and heart trouble. He applied to the Veterans' Administration for domiciliary care and his application was approved.

Because of the pending closing of the hospital and home for aged veterans at Bath, his application was forwarded to the VA domiciliary at Hampton, Va., where some of the 1,000 patients at Bath are supposed to be transferred when the Bath facilities are closed.

Below is the reply this 60-year-old veteran received from R. J. McDonnell, assistant chief of the registrar division at the VA Hampton center:

Your application for domiciliary care, VA form 10-P-10, has been approved. However, since a bed is not available for your reception at this time, it is necessary to place your name on the waiting list. As soon as a bed is available, we shall notify you and furnish necessary instructions for reporting.

You will not be entitled to travel at Government expense since you live beyond the area served by this center. If you require travel at Government expense, notify this office and your application will be transferred to a domiciliary closer to your home.

The veteran has justifiably complained, as follows:

What do they expect me to do in the meantime, live on welfare? My pension checks of \$225 a month stopped nearly a year ago.

This is only one of many cases in our area where the veteran will suffer if the operation of the Bath facilities is discontinued. Also, his family and dependents will suffer because of the additional expense of travel and inconvenience.

Over the years, Congress has provided generously for veterans benefits programs. It has done so as a clear mandate of a grateful nation. Our gratitude should not waver.

I strongly urge all my colleagues to join in an all-out effort to halt the closing of any Veterans' Administration facilities until a thorough investigation can be made. Wherever it is found, as a result of the investigation, that a definite need exists, the facilities should be allowed to continue to serve the veteran who served his country so well.

Mr. RUMSFELD. Mr. Speaker, I am opposed to this conference report just as I have opposed previous measures by which aid to Nasser's United Arab Republic has been continued. It did not make sense last year, and it makes even less sense today.

Further, I am amazed at the rationale of the majority party in arguing for this report. First, they say that the President must be given "Presidential discretion" to deal with Nasser and that the Congress should not tie his hands, particularly in view of his 15-million-vote majority in the last election. Then, in the same bill, they permit non-germane amendments to be attached by the Senate which "tie the President's hands" and reject the concept of "Presidential discretion" with respect to the closings of certain veteran hospitals and agricultural research facilities. If this is logical or consistent, I fail to see it.

Finally, this conference report is a prime example of the House's continued knuckling under to the Senate by accepting Senate amendments which are not germane and which would have been subject to a point of order had similar amendments been offered in the House. I would hope that some day this body would have the courage and good judgment to call a halt to this irresponsible procedure.

Mr. CULVER. Mr. Speaker, I strongly urge that the House of Representatives today approve the amendment to House Joint Resolution 234 to suspend the proposed closing of 31 veterans' installations including the domiciliary in Clinton, Iowa, until after May 1, 1965. This is substantially the relief I sought when I testified before the Senate Veterans' Affairs Subcommittee on January 22 and advocated that "the Veterans' Administration be required to suspend the operation of its dissolution order until after the committees of Congress have had the opportunity to make a full study of the situation."

During the period of time provided by this amendment I am confident that we can experience thorough review of the facts relevant to the closing order with each affected facility considered on an individual basis so as to fully determine the feasibility and responsibility of the proposed action of the Veterans' Administration in each situation.

The Clinton domiciliary was created in 1948 by specific order of Congress after full investigation of the premises by the appropriate congressional committees. Its plant has been kept continuously up to date, the last improvement having been completed in the last 60 days. It housed 615 veterans at the time the order to close was announced and has recently made emergency facilities available for local civil defense.

Since Congress created the installation in Clinton in furtherance of its avowed purpose to assure a basic level of protection for our veterans, it therefore seems reasonable that Congress be allowed to completely consider whether the purpose in originally establishing the facility will in no manner be unwisely frustrated by the proposed action of the Veterans' Administration.

I think this action by the House of Representatives is particularly appropriate and necessary at this time. The veterans' installations included in the January 13 order are already being affected, with employees being asked to file requests for change of employment and services not being extended to new applicants.

I believe this action will provide the appropriate forum to facilitate a proper investigation and review of this vital matter. It is important to insure that we make available a sensible program of medical attention throughout America for that group of citizens whose sacrifices throughout the world have made freedom available to all Americans.

Mr. STRATTON. Mr. Speaker, I cannot support the conference report for several reasons:

First, because it rejects the original House action regarding agricultural assistance to Nasser. For reasons I set forth clearly on Monday, I feel any retreat from the forthright and clear-cut position outlined originally by the House would be both inconsistent and contrary to our best interests.

Second, I am strongly in favor of the action in the Senate preventing the Department of Agriculture from closing its research stations. These closings would prove particularly detrimental to New York State, not only because of the termination of the chafer research program at the agricultural experimental station in Geneva, but because they would strike a severe blow to the maple sirup and maple sugar industry, which plays such a large part in the economy of our State and of my district, through the closing of the Maple Products Laboratory located at Philadelphia. In these closings, as in the closing of the veterans' hospitals, I believe that upstate New York has taken an unusually heavy blow, especially in the light of our economic and unemployment problems. The compromise wording offered by the conferees really only postpones the Department's decision, without giving any real opportunity for further action by Congress before these facilities are finally terminated. The Senate wording would have given us enough time to incorporate our collective judgment on these closings in the appropriations for next year.

Third, I oppose the conference report

because the compromise adopted with regard to veterans' hospitals is also just a gesture and takes away the genuine leverage which the Senate wording would have given Congress in this important question. Under the Senate wording the whole subject of closing veterans' hospitals would have been held in abeyance until Congress had had an opportunity to examine the question and to make its own determination. I believe that the action of the VA in closing three hospitals in upstate New York is prejudicial to our State and prejudicial to rural areas and rural veterans.

I shall vote against the conference report.

Mr. SELDEN. Mr. Speaker, in the debate that has taken place concerning aid to Egypt, the question of Congress' proper role in the conduct of foreign policy once again has been raised. It is clear that the House of Representatives' original action severing aid to Egypt under Public Law 480 was only a prelude to a major congressional challenge of the entire structure of existing U.S. foreign aid programs. The 89th Congress must and will take a penetrating look at the operation and effectiveness of our foreign aid commitments; we have not only the right but the duty to do so.

As a member of the House Committee on Foreign Affairs, I raise this point at this time because of growing public acceptance of the notion that Congress is not empowered under the Constitution either to shape or direct the Nation's foreign policy. This view has become widespread through the common assertion—made all too often by authorities who should know better—that the conduct of foreign policy is the exclusive constitutional prerogative and province of the executive branch.

This contention, as a result of repetition, has acquired the fine ring of learned authority. It has one fundamental weakness, however; it simply is not borne out by a reading of the Constitution.

The only constitutional reference to Executive conduct of foreign policy are contained in article II, sections 2 and 3.

Article II, section 2, declares that the President is Commander in Chief of the Armed Forces and that he shall "have power, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls."

Article II, section 3, refers in part to the President's duty to "receive Ambassadors and other public Ministers."

These references are the sum and substance of the President's powers to conduct foreign policy under the Constitution—these and nothing more. Far greater and more numerous powers in this area are constitutionally conferred on the Congress. If then the President in fact exercises wide authority in the foreign policy field, it is such authority as has been conferred by the Congress over the years. But there should be no misunderstanding at this late date that Congress has or could abdicate its powers and responsibility in this field.

Moreover, it should be noted that such constitutional powers to conduct foreign policy as are invested in the executive—

with the exception of the protocular duty to receive Ambassadors—are subject to approval by the Senate.

So much for the erroneous contention that the Constitution provides, in so many words, that "the executive branch shall be vested with the power to conduct foreign policy." No such phrase can be found, save in the imagination of those who would make the legislative branch a rubberstamp for the executive in this vital area of Government policy.

But Congress, under the Constitution, is anything but a rubberstamp in its role as the ultimate decisionmaker on the direction and thrust of American foreign policy.

It is Congress, the legislative branch, that is empowered under article I, section 8, to "provide for the common Defence," to "borrow money on the credit of the United States," to "regulate Commerce with foreign Nations," to "coin Money, regulate the Value thereof, and of foreign Coin," to "define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations," and most important of all foreign powers, the ultimate power to "declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water."

Additionally, it is Congress, the legislative branch, that is empowered under the same article I, section 8, to "lay and collect Duties, Imposts, and Excises," to "raise and support Armies," to "provide and maintain a Navy," and to "suppress Insurrections and repel Invasions."

Clearly, Congress retains the fundamental constitutional powers relating to the conduct of foreign policy. And although legislative provision for executive conduct of foreign policy matters may be made, the Congress remains the ultimate constitutional repository for these powers—as much today as when the Constitution first became law of the land.

On this constitutional basis, then, and at this critical time for reexamination and reappraisal of our country's position in world affairs, the 89th Congress intends to act upon these foreign policy matters which affect our national interests.

As the gentleman from Pennsylvania, Chairman MORGAN, pointed out to the House Foreign Affairs Committee last week, Congress will not continue to acquiesce to foreign aid expenditures on behalf of those countries whose own foreign policies are inimical to our national interests. Let there be no misunderstanding, then, regarding the Senate and House votes to complete our remaining commitment to Egypt under Public Law 480. By this vote the Congress is not relinquishing its power regarding the conduct of our country's foreign policy, nor do we endorse the providing of foreign aid funds to those contemptuous of our assistance. But in dealing with matters affecting our vital national interest, Congress must move carefully and on the basis of complete information. Therefore, the matter of proper congressional procedure—whether foreign policy should be set by means of a rider to an appropriations bill—was a determining factor in this vote.

The fundamental congressional reappraisal and adjustment of foreign aid programs will come with our deliberations over the foreign aid bill. And it is then that Congress' continuing power and duty to shape and direct foreign policy must be asserted in the national interest.

In this regard, Senator Dobb's recent proposal regarding suspension of foreign aid to countries acting against the national interest of the United States is a step toward commonsense handling of this critical problem.

This proposal will permit aid to be cut off in the case of countries committing acts injurious to U.S. interests—with the proviso that such aid will be restored only if and when the offending country takes satisfactory remedial action.

It is my intention to bring this proposal—which, I believe, represents the correct way to deal with challenges such as that posed by Nasser's Egypt—to the attention of the House Foreign Affairs Committee, which is not considering the entire foreign aid program for the next fiscal year.

Mr. DUNCAN of Oregon. Mr. Speaker, we have an issue before us this afternoon that is both simple and complex. In its simplest terms the question is whether the VA domiciliaries and hospitals shall be closed in accordance with the Executive order. On this question my answer is an emphatic "No."

The closure is defended on the basis of economy. It is asserted that the move will save \$23,500,000 and that the service to the veterans will not be diminished. But we have no proof. We have only the barefaced assertion of the conclusion. I have asked the administration for the facts—for the proof. Others have done likewise. No one to my knowledge has made any effort to prove the facts.

I have told the administration that if they can prove their case—savings and equivalent care—I would support the closure—and support it in my own district. But I am convinced they cannot do so. Certainly not with respect to the domiciliary at Camp White where indigent veterans are cared for well at a little over \$6 a day. Where are the savings if these men go to nursing homes at \$12 to \$14 a day or to hospitals at \$30 a day? Where are the savings or the equivalent care if they are turned out on welfare? It will cost as much or more for welfare for inferior care. Where are the savings in the abandonment of the capital assets—to be disposed of for pennies on the dollar? Where are the savings when we look at transportation costs? Where are the savings in closing the hospital beds we already have in the face of increased expenditures—requested by this administration for new hospital construction and an expanded program of medical care for the Nation?

I can see that as medical care becomes more and more available to all our citizens and especially the elderly, there will be less and less reason for special facilities for special groups. But that time is not yet here.

And then there is the human element. The uprooting of men in their sixties and seventies—men on whom we once,

twice, or more depended in time of need and now have only us on whom to depend. Democrats have always prided themselves on a humane approach to the problems of the Nation. Have we done it today?

The overtones of this question are extremely complex. They involve:

First. The question of nongermane amendments added in the Senate as pointed out by the gentleman from Mississippi [Mr. COLMER]. I agree that nongermane amendments added in the Senate should be subject to a point of order. I think it is the poorest of techniques and one well calculated to produce poor legislation to permit unrelated subjects to be coupled in the same bill. But this device is used and has been used by the administration only last year in the case of wheat and cotton. Today the administration may be hoisted on its own petard. While I support the abolition of this device, so long as it is used by others it may be used by all.

Second. The question of the item veto called to our attention by the gentleman from Mississippi [Mr. WHITTEN], and the eternal struggle between the executive and the legislative branches of the Government so eloquently spelled out by the gentleman from Colorado [Mr. ASPINALL]. Grave constitutional issues are involved and adamant positions taken by both branches can immobilize Government. Our system works because of cooperation and both the Legislature and the Executive are here to do the will of the people. Cooperation is called for—not recriminations, not pique, not chagrin, not stubbornness. We must reason quietly together, find the truth and the best course for our Nation to follow.

Today the veteran hospitals and domiciliaries will gain a brief reprieve from the executioner's ax. I intend to vote "No" on the conference committee's recommendation for a moratorium on closing until May 1 and I support the Senate amendment to defer closing until the end of the fiscal year when a new appropriation bill will give us a further legislative vehicle. There is no reason to suppose that the Senate will not support its own amendment. And if we do not proceed to deny funds for closing during the balance of the fiscal year, there may well be no hospitals and domiciliaries left for the Legislature to try to save. And I further support a rollover on this issue so all may know my position.

But regardless of how much time we gain, in the additional time granted let us have full and complete hearings; let us get the facts, and let us be resolved in both branches of Government to be guided by these facts. Let us foreswear the question of supremacy and seek together the right solution.

Mr. MAHON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

Mr. MORRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MORRIS. Is the vote a vote on the previous question?

The SPEAKER. The previous question has already been agreed to. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

Mr. MORRIS. I thank the Speaker. The question is on the motion with respect to amendment No. 4.

The SPEAKER. The gentleman is correct.

The question was taken; and on a division (demanded by Mr. ASPINALL) there were—ayes 157, noes 72.

Mr. PHILBIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks on the conference report and on the disagreeing votes, and I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNOUNCEMENT

The SPEAKER. The Chair will state, so that Members may be advised, that the only business remaining will be a unanimous consent request by the gentleman from Massachusetts [Mr. O'NEILL]. The Chair understands that the leadership on both sides have cleared the bill involved. The Chair makes this statement so that Members may govern themselves accordingly.

LEGISLATIVE PROGRAM FOR WEEK OF FEBRUARY 15

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I ask for this time for the purpose of asking the majority leader if he can give us some indication of the program for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the gentleman from Michigan, the only legislative business are prepared to announce at this time for next week—and this is for Tuesday of next week, and we do expect to have a further announcement on Tuesday of next week with regard to the program for the later part of next week—consists of various resolutions from the Committee on Rules dealing in the main with travel, subpoena, and investigative powers of legislative committees. One resolution, House Resolution 13, would create the Small Business Committee. The others

dealing with travel, subpoena, and investigative power are as follows:

House Resolution 84: Foreign Affairs Committee.

House Resolution 19: Judiciary.

House Resolution 44: District of Columbia.

House Resolution 68: Veterans' Affairs.

House Resolution 89: Agriculture.

House Resolution 104: Post Office and Civil Service.

House Resolution 35: Interstate and Foreign Commerce.

House Resolution 94: Education and Labor.

House Resolution 80: Interior and Insular Affairs.

House Resolution 112: Science and Astronautics.

House Resolution 118: Armed Services.

House Resolution 133: Banking and Currency.

These will not necessarily be called in the order in which they have been announced.

Mr. GERALD R. FORD. I thank the majority leader.

U.S. INFORMATION AGENCY FILM ENTITLED "YEARS OF LIGHTNING, DAY OF DRUMS"

Mr. O'NEILL of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of the House concurrent resolution (H. Con. Res. 282) expressing the sense of Congress with respect to the viewing of the U.S. Information Agency film entitled "Years of Lightning, Day of Drums" at the dedication of the new Civic War Memorial Auditorium in Boston, Mass.

The Clerk read the resolution, as follows:

Whereas the city of Boston will dedicate its new Civic War Memorial Auditorium during the week beginning February 21, 1965; and

Whereas this auditorium will be a living memorial to residents of Boston who have served in the Armed Forces of the United States; and

Whereas military, religious, and civic organizations will participate in appropriate memorial exercises: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Information Agency should make appropriate arrangements to make the film prepared by it on the late President Kennedy, "Years of Lightning, Day of Drums", available for viewing at the dedication ceremonies of the new Civic War Memorial Auditorium in the city of Boston, Massachusetts, to be held during the week beginning February 21, 1965.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FLOOD INSURANCE

(Mr. MATSUNAGA asked and was given permission to extend his remarks at this point in the Record.)

Mr. MATSUNAGA. Mr. Speaker, the recent floods along the west coast and

more recently the floods in Hawaii have pointedly shown the great need for a program of insurance against flood damages.

In Hawaii alone an estimated loss of over a million dollars will have to be borne by the individual property owners, many of whom will never fully recover in their remaining lifetime. Many of the owners of the 60 or more homes which were completely washed away or severely damaged saw their entire life's savings disintegrate in one unpredicted moment.

Why should this be so? One of the great attributes of an advanced society such as ours is continuity in security, as a group and as individual members of a group. The programs of President Johnson tending toward a great society would basically increase this area of security to all Americans.

Private insurance companies have contributed greatly to man's peace of mind by providing adequate coverage in life insurance and fire insurance. But they have failed miserably to provide insurance against flood damages and losses. The story appears to be the same throughout the country, as it was in Hawaii—no insurance coverage against floods.

The refusal or failure of private enterprise to enter this area of insurance is understandable. The risk is much too great. We cannot, however, continue to fail to provide for that segment of our citizenry who would be willing to purchase insurance against floods for their own security. Where private enterprise fails to provide, Government must do so.

It is on this basis that I am proposing legislation for Government insurance against flood damages to those who seek such insurance. I ask my colleagues to support me in providing a solution to an urgent and vexing problem faced by too many of our fellow Americans.

CORRECTION OF THE RECORD

Mr. RYAN. Mr. Speaker, I ask unanimous consent that the permanent bound copy of the CONGRESSIONAL RECORD be corrected as follows:

My remarks on page 2372 of the CONGRESSIONAL RECORD of February 9, 1965, column 3, should read: "In other words, it would not relate to the question which was before the House yesterday."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE CHEYENNE HORTICULTURAL RESEARCH STATION

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I had the privilege of being escorted through the Cheyenne Horticultural Research Station again 2 weeks ago and can report that it is one of the few garden spots in the entire Great Plains and the Rocky Mountains West, and is particularly one of the few places in the entire

United States dedicated to the botanical research necessary for the continuation of testing the various types of trees for windbreaks and shelter-belt trees, shrub and flower species and other highly productive tree fruits for the high altitude sections of the Central, Great Plains, and Far West States.

In my opinion, it is a mistake for the Department of Agriculture to transfer some 25 botanists and scientists from the high plains of the great West to continue research in this field so vital to the West at laboratories located in Beltsville, Md., to land some 6,000 feet lower and conditions completely different from the Great Plains.

The proposed closing of the Department of Agriculture's Horticultural Research Station has set off a volley of protest that resounds throughout the central Great Plains and extends into comparable climatic zones.

The research advanced by this station has not only answered the historical demand for tree windbreaks, but it has paved the way to the introduction of numerous varieties of tomatoes, berries, flowers and ornamental shrubs that have contributed substantially to material well-being of residents in every geographic area of our country.

The Cheyenne Horticultural Research Station, located at Cheyenne, Wyo., is situated at an altitude of 6,280 feet. The station consists of 2,200 acres, most of which is range. About 100 acres of comparatively level land are under irrigation with adequate water rights.

The station is the only station of its kind located in the Great Plains area and it has done an outstanding service in testing the degree of adaptation under the rather extreme conditions of this region.

The climate of the several arid western States is subject to severe conditions, including cold, dry winter winds, late spring freezes, and shallow alkaline soils. The entire Great Plains area is a naturally treeless plain with a semiarid climate. The annual rainfall ranges from 20 inches in the eastern area to 12 inches in the western.

This is mostly range country, comparatively windy and frequently visited by hail storms. It is more or less representative of a type of environment extending beyond the State boundaries.

Most well-known tree fruit varieties are not hardy in the Great Plains area and it is essential in order to grow fruit in this area to select varieties known to perform. The Cheyenne Horticultural Research Station provides this valuable service.

The crucial need for tree windbreaks, noted since the advent of the first permanent settlers a century ago, has been answered by the findings of researchers who have observed the tree culture of the Great Plains.

These earliest settlers had extensive areas from which to select homesites and generally located their homes near water of the region that afforded natural tree protection.

Later settlers, most of whom came to the region in homestead days, usually made their homes on dry land sites that

were lacking the natural wooded vegetation. Many of these later immigrants transplanted small trees from the banks of river streams while others obtained seedling trees from commercial sources.

Little information was available concerning methods of tree culture on the barren areas of the Great Plains and consequently many early tree plantings were largely ineffective as windbreaks. These early plantings were made without the benefit of experimental research.

Much of the research that has made possible the effective progress in this field has been the result of experiments with the seven species of deciduous trees at the Cheyenne Horticultural Research Station, established by an act of Congress in 1928 for research on various plants, including shade, ornamental, and shelterbelt trees and shrubs.

The profound significance of this research is underlined by the fact that the horticulture station, in the opinion of the Department of Agriculture—“Technical Bulletin No. 1291, Agriculture Research Service, USDA,” page 12—has some of the most difficult growing conditions to be found in the central Great Plains in regard to climate and soil.

The shelterbelt research area covered by the station includes approximately 150,000 square miles in South Dakota, Nebraska, Kansas, Colorado, and Wyoming.

Mr. Speaker, I have received letters from residents throughout this area, requesting a reconsideration of the decision to close the station.

I wish to quote Mr. Roderick W. Cummings of the Bristol Nurseries, Inc., of Bristol, Conn., who wrote me on January 22, 1965:

Wyoming is a notably stern climatic area. Thus we have noted how many nursery catalogs from States or areas of stiff winter feature Cheyenne introductions. These include Iowa, Nebraska, Minnesota, upstate New York, even Ontario. Such sections are often hard put for plants beautiful and rugged enough to serve their gardens. The Cheyenne closing would certainly limit their choice of future material.

With the proposed Great Society concept of such wonderful thoughts for improving our country, garden flowers can play a great part.

I hope, Mr. Speaker, that my colleagues will help me in restoring the \$206,000 appropriation to the Department of Agriculture appropriations bill for the continuation of this field station.

Its work is vital. Its work is necessary. It has made great contributions to the field of horticulture in the past 30 years.

In the catalogs of the Wayside Garden and many other fine nurseries of America, you will find listed varieties that have been groomed in the hardiness of the Cheyenne area, particularly in chrysanthemums.

I hope, Mr. Speaker, that the contributions to the economy of our Nation which are made at Cheyenne, Wyo., by the reduction of some 700 airmen and by the closing of the Veterans' Administration facility should be ample for one community to pay, without having to

take the last spot of beauty and of research which has been set in its midst.

It would seem that this era of advancement toward the Great Society could more jealously guard this basic and established research project dedicated to beautification and productivity of the roadsides, flowerbeds, gardens, family farms and prairies of the Great Plains area.

President L. B. Johnson in his state of the Union address January 4, 1965, said:

For over three centuries the beauty of America has sustained our spirit and has enlarged our vision. We must act now to protect this heritage. In a fruitful new partnership with the States and cities the next decade should be a conservation milestone. We must make a massive effort to save the countryside and to establish as a green legacy for tomorrow.

I hope this station will be restored and ask my colleagues to join me in this worthwhile request.

IMMIGRATION LAWS NEED REVISION

(Mr. CAMERON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMERON. Mr. Speaker, today I have introduced a bill to revise the Nation's immigration statutes. It is a measure which I hope finds speedy enactment because in my judgment it will go a long way toward restoring our traditional attitude on a fundamental issue, an attitude which prevailed among countless generations of Americans who labored long and hard to make this country great.

That attitude didn't ask an immigrant from where he came or how he spelled his name. It was an attitude—a way of life—perhaps best summed up in these words with which we are all very familiar: “Ask not what your country can do for you—ask what you can do for your country.” And if it was found that an immigrant did—and could—indeed want to do something for his adopted country, he and his family were given an opportunity to carve for themselves a safe and secure place in the American community.

However, Mr. Speaker, 40 years ago this traditional American attitude was amended when discrimination was written into law. It became official policy to welcome immigrants who would help build the Nation—but only if they came from the “right” country or were of the “right” race or nationality.

Amended, too, was the traditional American attitude that an immigrant should be allowed to bring his family with him. Written into law were provisions which would make it extremely difficult for families to remain together and contribute as a unit to the national welfare.

The measure which I have introduced would erase discrimination from our immigration law and write into it a policy compatible with our historic traditions.

First, the bill would eliminate the present national origin quota system. Under this blatantly discriminatory pro-

This reportedly is a trial shipment, and if everything goes well, live cattle may be a regular cargo moving through this port.

Boulo said striking longshoremen agreed to load the animals when they arrive in Mobile this morning.

George Dixon, president of Local 1410, International Longshoremen's Association, said his men will load the animals. He said the loading was approved by both district and international officials "because the live animals would be in danger if they were kept in the rail cars for too long a period."

LOADING CATTLE

Plans call for loading the cattle here at 8 a.m. at pier 5. They are to move directly from the railroad cars, up ramps, into the hold of the ship.

The vessel was recently used in South American cattle shipping and is specially outfitted for handling the live animals, which have to be fed and watered during the voyage, expected to take 11 to 15 days.

According to the local freight forwarder, the animals will be fed and watered daily. For the voyage, the ship is being loaded with 275 tons of hay to be used as feed, 40 tons of straw, to be used as bedding for the animals, and 2,500 tons of water.

There will be several of the animals to a stall. A special crew is also aboard for the care of the cargo. This includes 14 cattle-handlers and 8 of the ship's crewmen, along with a foreman. These 23 men will include a veterinarian. All are from Argentina. In addition, there will be a veterinarian from Italy to accompany the shipment.

Alabama State Docks Director Houston H. Feaster said there is a possibility more Alabama cattle will be moved through here to other countries. He said a number of agencies are working to establish markets for the animals, and such markets should greatly benefit the State's cattle industry.

COMMUNIST AFFILIATIONS OF REPRESENTATIVES OF FREEDOM PARTY

Mr. EASTLAND. Mr. President, on February 3 I made a speech in the Senate in which I outlined the Communist affiliations of a number of attorneys who were in Mississippi representing the so-called Freedom Party. I promised that as more and more names were revealed, I would inform the Senate as to their records.

I am informed that at Greenwood today in deposition hearings the Freedom Party was represented by Benjamin Margolis.

This man, Benjamin Margolis, is an oldtime Communist and one of the deadliest men in the Communist Party.

In addition, in Indianola, Miss., the party was attempting to cause a strike, the Freedom Party is also attempting to cause a strike in the Ludlow Manufacturing Co. and attempting to array race against race. In that town are two well-known Communists, Herschel M. Kaminsky and Maynard J. Omerberg.

Maynard J. Omerberg has been a member of the National Lawyers Guild which has been since 1945 cited as subversive and communistic by the House Committee on Un-American Activities. He attended the California Labor School in the late 1940's. This organization has already been cited as subversive by the California Committee on Un-American Activities. He was also a member of the Civil Rights Congress and acted as its counsel in the early 1950's. The Civil

Rights Congress has been cited as subversive by the Attorney General. He was also a member of the Los Angeles Chapter of the International Workers Order, which has been cited as subversive by the Attorney General. He also served as counsel for the Los Angeles Committee for the Protection of the Foreign Born, which is affiliated with the American Committee for the Protection of the Foreign Born, which has been cited as subversive by the Attorney General.

In 1950, Omerberg was one of the attorneys who submitted an amicus curiae brief to the U.S. Court of Appeals in behalf of the Communist Party leaders convicted under the Smith Act. Omerberg's law office is located at 6290 Sunset Boulevard, Los Angeles.

Herschel M. Kaminsky attended the Communist World Youth Festival in Vienna, July 1959. This organization has been cited as subversive by the House Committee on Un-American Activities. In early 1961, he joined the pro-Castro Minnesota Fair Play for Cuba Committee. In the last 2 or 3 years, Kaminsky has become closely associated with the Socialist Workers Party, Minneapolis. The Socialist Workers Party has been cited as subversive by the Attorney General. It is known as a Trotskyish organization. In 1963, Kaminsky was appointed as associate editor of the quarterly magazine, *Studies on the Left*, a pro-Communist magazine.

Benjamin Margolis has been identified as a Communist before the House Committee on Un-American Activities by nine different witnesses.

Mr. President, I ask unanimous consent to have printed in the RECORD the long Communist record of Benjamin Margolis, which shows that he is the enemy of everything American.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BENJAMIN MARGOLIS

BACKGROUND

Margolis was born April 23, 1910, at Brooklyn, N.Y. He is active in the practice of law in room 709, Strong Building, 112 West 9th Street, Los Angeles. His home address is 5786 Valley Oak Drive, Los Angeles.

ACTIVITIES

Anita Edith Bell Schneider appeared before the House Committee on Un-American Activities (HCUA) July 5 and 6, 1955. She identified herself as a member of the Communist Party during the years 1951 through 1954. She identified Benjamin Margolis as a Communist Party attorney.

During House Committee on Un-American Activities hearings held April, May, and June, 1955, at San Diego, Calif., Margolis appeared as counsel for five persons who declined to answer questions regarding the Communist Party on constitutional grounds.

The Daily People's World, a west coast Communist publication, on March 11, 1954, noted that Ben Margolis was to be a speaker at a public meeting of the Civil Rights Congress March 18, 1954.

The Civil Rights Congress has been designated by the Attorney General under Executive Order 10450.

On January 21, 1952, Charles Daggett testified before the House Committee on Un-American Activities. Daggett stated that

during 1945 he attended Communist Party meetings in the home of Ben Margolis.

On January 25, 1952, William G. Israel testified before the House Committee on Un-American Activities. Israel said he was a member of the lawyers branch of the Los Angeles County Communist Party during the period March 1946 to March 1947. Israel said that Margolis was a member of this branch, that he attended meetings of this branch at Margolis' home. Israel described Margolis as the leader of the Communist Party attorneys in Los Angeles.

On January 25, 1952, Marburg Yerkes appeared before the House Committee on Un-American Activities. He said he had been a member of the lawyers branch of the Los Angeles County Communist Party from 1946 until 1948 or 1949. He identified Margolis as a member of the lawyers branch, Los Angeles County Communist Party, who was a member at the time Yerkes left the Communist Party. Yerkes testified that he was advised by Margolis that Margolis' law firm represented the Communist Party in Los Angeles.

On January 25, 1952, Milton S. Tyre appeared before the House Committee on Un-American Activities. Tyre identified a deposition he had given previously. The deposition notes that Tyre was a member of the Communist Party during the years 1943 to 1949 and that Ben Margolis was a member of the Communist Party attached to the Communist Party lawyers group at the time Tyre dropped out of the Communist Party.

On October 2, 1952, Paul Marion appeared before the House Committee on Un-American Activities. Marion said he was a member of the radio branch of the Communist Party from early 1946 to early 1948. Marion said that sometime during this period Margolis attended a closed Communist Party meeting at the home of Alvin Hammer.

The Los Angeles Mirror of August 27, 1952, carried an item headed "Probe Calls Legal Sheath of 14 Reds," and says in part, "Angrily declaring I'll fry in Hell before they get any information out of me about my clients, Attorney Ben Margolis was subpoenaed to appear before the House Committee on Un-American Activities at hearings that begin on September 29. I will not take the left position that my 14 clients took when they were asked about other persons who have been Communist Party members. I will point out that as an attorney I cannot and will not make a stool pigeon of myself."

Margolis appeared before the House Committee on Un-American Activities September 30, 1952. His testimony was extremely vitriolic. He said he hated the House Committee on Un-American Activities since he hated tyranny since his birth. The chairman of the committee advised him of his contemptuous attitude and Margolis replied that he had "nothing but contempt for the committee." He declined to answer any questions concerning his Communist Party membership because:

1. It would degrade him.
2. It was an attempt to invade his rights and association of freedom.
3. That the House Committee on Un-American Activities intended to destroy the sovereignty of the American people and that it violated the 1st, 3d, 9th, and 10th amendments of the Constitution.

The annual report of the House Committee on Un-American Activities for the year 1952 reflects that Ben Margolis was identified as a Communist by the following nine persons before that committee on the dates indicated:

- Milton S. Tyre, December 14, 1951.
- George Glass, January 21, 1952.
- Charles Daggett, January 21, 1952.
- Paul Marion, October 2, 1952.
- Marold Ashe, September 17, 1951.
- Edward Dmytryk, April 25, 1951.

David Aaron, January 23, 1952.
Marburg Yerkes, January 24, 1952.
William G. Israel, January 25, 1952.

Mr. EASTLAND. Mr. President, I invite the attention of the Senate to the fact that the establishment of so-called new political parties is an old tactic of the Communist Party of the U.S.A. The Communist Party recognizes that it can make no headway with candidates under its own label. Therefore, it creates substitutes, such as the American Labor Party and the Peoples Party in New York State; the Progressive Party was created in 1948 by the Communist Party under the more seeming label; and now the Freedom Party in Mississippi has been created in another attempt at political deception.

Mr. President, the sovereign State of Mississippi is being invaded by the Communist Party, who desire to take it over.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. BASS in the chair). The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 10(a), Public Law 474, 81st Congress, the Speaker had appointed Mr. UDALL of Arizona as a member of the Joint Committee on Navajo-Hopi Indian Administration, to fill the existing vacancy thereon.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 234) making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 3 to the joint resolution and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 1 and 4 to the joint resolution and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I ask that the conference report on House Joint Resolution 234, making supplemental appropriations for the Department of Agriculture, be considered at this time.

Mr. PROUTY. I suggest the absence of a quorum.

Mr. HOLLAND. There has just been a quorum call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, before the conference report is taken up, let me explain to the Senate this situation:

The conferees reached agreement about noon. At that time two of the minority conferees, the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], and the distinguished senior Senator from South Dakota [Mr. MUNDT], were out of the city, delivering Lincoln Day addresses in Boston and Texas respectively. Communications were difficult, and no consent could be obtained from them for appending their signatures to the conference report. By reason of that fact, the only minority member of the conference who was present, the distinguished senior Senator from North Dakota [Mr. YOUNG], preferred to withhold his signature.

I am told by the Senator from North Dakota that he has since received directions from both of the Senators absent from the conference, Senator SALTONSTALL and Senator MUNDT, to append their signatures to the conference report, and that he himself also wishes to append his signature.

I ask unanimous consent at this time, before the consideration of the conference report, that consent be given for appending those three signatures to the report, for the seasons stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. Mr. President, the Senator from South Dakota [Mr. MUNDT], the Senator from Massachusetts [Mr. SALTONSTALL], and I are agreeable to signing the report now, with the understanding, however, that no steps whatever will be taken to close any of the veterans installations until after the May 1 deadline. This is the understanding that was reached in committee, as the Senator from Florida stated.

It was difficult to communicate with the two Senators who are absent. However, they are agreeable to the report and wish to sign it, and so do I.

I do not believe the Veterans' Administration can prove any economy whatever in the case of many of the closings, particularly with reference to the Miles City hospital. One comparatively new, modern hospital, operating at low cost, cannot be closed, and new hospitals built, while trying to prove to the people of the United States, particularly the veterans, that any money is being saved.

With this understanding, I should now like to have our names entered as approving the conference report.

Mr. HOLLAND. I thank the distinguished Senator from North Dakota.

Not only did the conferees have the understanding, as stated by the Senator from North Dakota, that no steps whatever would be taken toward the closing of veterans hospitals prior to May 1, if the amendment in the conference report were adopted, but we also had the President's assurance that that would be the case.

Mr. President, I ask that I may be allowed now to yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I am familiar, generally, with what has taken place in the conference. That can be ventilated in due course. I know that signatures were withheld with respect to the action taken by the Senator from South Dakota [Mr. MUNDT] who was the author of the veterans amendment. He is out of the city. I tried to cover that base to see what could be done with respect to a time limit on which the conferees and the President would agree.

At first, it was contended that nothing should be done until the end of the fiscal year, June 30. The conferees finally brought the date forward to May 15. But the President thought that that time was too long, said he had some administrative chores that had to be done in connection with his program, and was rather reluctant to settle for anything later than the 1st of May.

In consequence of that discussion with the President this morning, I called the Senator from Massachusetts [Mr. SALTONSTALL]. He said that if that were agreeable to Senator MUNDT, he would agree. I talked with the Senator from North Dakota [Mr. YOUNG] and he, too, concurred in the May 1 date.

I communicated with Senator MUNDT at the Kansas City Airport and told him exactly what the situation was.

With the understanding stated by the Senator from North Dakota [Mr. YOUNG] about keeping the situation in status quo until May 1, and until a committee can examine into the situation, he was willing to concur. So I am free now to say that he has concurred in the May 1 date.

I believe that takes care of the situation in the absence of the Senator from South Dakota and the Senator from Massachusetts.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CURTIS. In expressing the understanding that the terms of the report require that the hospitals remain in status quo until May 1, does the Senator mean the status that existed prior to the issuance of the order?

Mr. DIRKSEN. I am not certain about that.

Mr. HOLLAND. Upon the basis of information given to us by Mr. Driver, the Administrator of the Veterans' Administration, no equipment of any kind has been moved and no hospitals or offices have been closed. The only action that had been taken was that new patients had not been accepted at the various hospitals; but if action to suspend the closings were taken as recommended by the conference committee, new patients would immediately begin to be accepted,

and the operations of hospitals and offices, already provided for by adequate appropriations, would continue. That is my understanding of the situation. As I recall, the able Senator from North Dakota was present and heard the Administrator's statement. If he has any information to amplify my statement, I should be happy to have him state it.

Mr. YOUNG of North Dakota. That is exactly the understanding I had.

Mr. CURTIS. Mr. President, will the distinguished chairman of the subcommittee yield?

Mr. HOLLAND. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. CURTIS. I visited the hospital at Lincoln, Nebr., which is covered by this order. Two or three wards had no patients in them. I talked with one doctor who had left the service.

I hold in my hand an Associated Press report published in the Grand Island, Nebr., Independent of February 3, 1965. It reads as follows:

HOSPITAL EMPLOYEES GOING TO OMAHA

OMAHA.—Twenty employees of the Lincoln Veterans Hospital will be transferred to the Omaha VA Hospital Wednesday. Included will be eight nurses, eight nursing aids, one licensed practical nurse, and three clerical employees. The Lincoln hospital is scheduled to be closed June 30.

William A. Strange, assistant director, said the Omaha hospital has a waiting list of 71, but the list should begin to disappear by the end of next week. The Omaha hospital has reactivated a 42-bed ward.

Now, to continue, he, as of this time, mentioned that the veterans hospital at Lincoln will operate under very reduced conditions and shortage of personnel. If, on the other hand, it is the intent that they be restored to where they were before the order was issued, I am sure that they can continue to do the very fine job that they have been doing.

We are faced with a situation in Nebraska in which we have three veterans hospitals. There is one at Omaha, one at Grand Island, and another at Lincoln.

I visited the hospital at Lincoln the other day. The surgical ward has been entirely rebuilt. It is new. There is one of the finest and best laboratories to be found anywhere. I visited the X-ray section. They have \$87,000 of new X-ray machines that have not been used for more than a year.

As of January 12, if they were to fill the hospitals at Omaha and Grand Island to capacity, there would still be no place to put the 151 patients who are in Lincoln hospital. That is to say nothing of the future needs. It is admitted that insofar as World War II and the Korean war veterans are concerned, the need for hospital beds will continue to increase for the next 15 years and will not reach its peak until 1980.

Is it the understanding of the Senator that the commitment on the part of the administration and Mr. Driver, as well as the language contained herein, that with all of these hospitals, they will have

available the equipment, personnel, and services that were available prior to the order? Will those facilities and personnel be available under this measure until May 1?

Mr. HOLLAND. Mr. President, I can do no more than reiterate what I have already said. There was no discussion of any individual facility. We had a general discussion with the Administrator regarding general procedures. This meeting was attended by the Senator from North Dakota [Mr. YOUNG], the distinguished chairman of the Committee on Appropriations of the House [Mr. MAHON], the distinguished Senator from Massachusetts [Mr. SALTONSTALL], the distinguished leader of the House [Mr. ALBERT], and myself. The Administrator spoke to the group. This was not at the conference proper, but a separate meeting. I had asked the Senator from North Dakota [Mr. YOUNG] and the senior Senator from Massachusetts [Mr. SALTONSTALL] to sit in with me on the matter. The Administrator stated to us just what I have already said to the Senate, that there would be no phasing out prior to the date that would be fixed.

At that time we were talking about the writing of a letter. But the President has since handled this by giving Mr. MAHON and me his personal assurance—which was then written into the amendment which will be before the House when the conference report is presented—fixing the date of May 1.

There were to be no phasing out and no closings prior to May 1. Mr. Driver also stated that no physical equipment of any kind had been removed, and that the only thing that had been done was to not accept any patients from the date of the closing of certain hospitals which had been already closed.

The Administrator stated that in those cases the applications for admissions would immediately begin to be recognized, and that the beds vacated heretofore by reason of their not accepting new patients would, of course, be filled from time to time.

I do not suppose that there is any way Mr. Driver could give us assurance that every one of the beds would be filled. But I believe I have stated the matter as clearly as I could, based on my information. I am sure that the Senator from North Dakota remembers it just as I do. I think he has already so stated.

The President called me this morning, deploring the breakdown in communications on yesterday—about which I shall speak very briefly later. He stated that if May 1 were agreed upon, he would give me personal assurance, which I could give to the conferees, that no phasing out or closings would take place prior to May 1. The President also called Mr. MAHON, as Mr. MAHON told us in conference. He gave Mr. MAHON the same assurance.

As to whether people can be assigned elsewhere—in view of the fact that no patients are being received at a certain hospital—and then be sent back to the former hospital as new patients are received, I can give no assurance on that. But I assume, of course, that that would

be the case. They cannot accept patients in a hospital without personnel to take care of them.

I am sure that this is a good faith matter. Mr. Driver gave us his personal assurance, and the President likewise gave us his assurance, that the agencies concerned would cooperate to the fullest extent with the committees of the House and the Senate in the hearings that are to be held between now and May 1, in an effort to make all facts available. Of course, the committees will allow an opportunity for affected citizens, as well as Senators and Representatives who are affected, to be heard.

I know of no way whereby a clearer understanding could be reached, unless the date of July 1, which we were attempting to get in the conference report yesterday, had been agreed upon.

As to that, I shall have something to say when I make the report for the conferees. But I feel that we went a long way toward upholding the hands of those who favored the VA amendment, whether or not we approved that amendment in the Chamber.

As chairman of the conferees for the Senate, I went to an extreme length, and I am sure that was the case generally.

I feel rather good about the fact that we have made this disposition of the matter, even though we could not get everything that we had hoped to obtain.

I am glad that we shall have the \$1,600 million for the CCC to continue its operations. It has discontinued its operations.

I am glad that the other features of the joint resolution, which I shall briefly comment on, have been settled one way or the other.

I think it is the best settlement that could have been reached. I would not have signed the agreement if I had not thought so. Apparently our good Republican friends have come to the same conclusion. They have, as I understand from the Senator from North Dakota appended their signatures to the conference report.

Mr. CURTIS. Mr. President, I thank the distinguished Senator, as well as the other members of the conference committee for the good work that they have done in this regard.

Mr. HOLLAND. Mr. President, I yield now to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, I did not get a satisfactory answer to the question that was raised by the Senator from Nebraska. Patients have been moved out. It has been announced that the patients will be moved out. The question concerns whether they are going to be moved out. The answer is that they are going to be moved out. Is that correct?

Mr. HOLLAND. No. The information given to us was that none of the patients have been moved out, but no new patients have been admitted since the closing date. They have been sent elsewhere.

My information came directly from the Administrator and in the presence

of those whom I have named. I have already recited it somewhat. We were informed that nobody had been moved out, no equipment has been moved out, and no hospitals had been closed. We had assurance not only that there would be no phasing out or closing up but also that the date was finally fixed as May 1. Likewise the new applications are to be recognized and the new patients admitted to these hospitals which would now continue to be operated.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ANDERSON. Mr. President, I want the able Senator from North Dakota to be recognized, but I should like to say that I had a conversation with the Senator from South Dakota [Mr. MUNDT]. I think he would be a little surprised to know that the discussion was about the 30-day notice and that the other was no longer in the agreement. We discussed this matter with the Senator from South Dakota [Mr. MUNDT]. I was on the telephone at the time the Senator from North Dakota was speaking on the telephone. When the Senator says he agreed to the May 1 date, he may have thought we meant May 15, but I assumed that the other parts of the proposed agreement would be carried out. I do not believe they are.

Mr. HOLLAND. I cannot say what was done about the other agreement. This date of May 1 applies equally to the proposed closings of the agricultural research stations. I intend to hold those hearings immediately. I do not know what course will be followed by the Senator from Washington [Mr. MAGNUSON], chairman of the Independent Offices Subcommittee, but I am sure he too will comply with the understanding of all concerned that this matter will move forward expeditiously.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. ANDERSON. The Senator says that nobody is to be moved. I assume that is correct. But the head of the Veterans' Administration flew someone down to Fort Bayard Hospital to tag the pieces of equipment to be moved out of there. Are those tags to be taken off or left?

Mr. HOLLAND. I assume they would be taken off. That matter did not come up in our discussion yesterday with the Administrator. I knew nothing of it until I had a conversation with the able Senator from New Mexico [Mr. ANDERSON] shortly before noon today and I did not have an opportunity since then to raise that question with him. I will certainly insist on those tags being removed.

Mr. ANDERSON. All of us appreciate the fine way in which the Senator from Florida has sustained the position of the Senate. I compliment him on it, and am glad. But the agreement is not explicit on the point many of us would like to have seen raised.

Mr. HOLLAND. I am sure that the conference report could not have included everything that sponsors of the amendments would like to have obtained. The same is true of those of us who sponsored the research amendment, of which

I was a principal author. But we felt that we had received a substantial concession. We did feel we could live with the date of May 1. Otherwise I would not have signed the report. Evidently the Republican members of the conference came to the same conclusion, because the able Senator from North Dakota [Mr. YOUNG] has advised me, and has since advised the Senate, that all three conferees from the Republican side of the Senate desire that their names be appended to the report.

Mr. YOUNG of North Dakota. My understanding was that patients are going to stay down in the hospital at Lincoln, Nebr., and that new patients would now be excepted. I assume that, in order to take care of these patients, they would have to move back the nurses and other employees necessary to take care of those veterans.

I want to commend the Senator from Florida, who has defended the Senate's position just as strongly as though he was a cosponsor of this amendment.

Mr. HOLLAND. I thank the Senator. I have exactly the same view on the matter of personnel. If personnel have been diverted because patients have not been there, that is temporary, and if new patients are admitted in those hospitals, then certainly the personnel, either the same personnel or other adequate personnel to take care of the present patients already there as well as new patients, will have to be brought back to those facilities.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Alaska.

Mr. GRUENING. Does this conference report also cover the regional office which it was planned to move out of Juneau?

Mr. HOLLAND. Yes. We have been given that assurance with respect to the conference report which has already been adopted in the House, as well as the assurance of the President. There has been an agreement that there will be no phasing out or discontinuance until May 1 or thereafter, and that applies equally to veterans hospitals and regional offices and other facilities which were proposed to have been closed.

Mr. BASS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BASS. I want to commend the Senator from Florida and the other members of the conference for working out these unrelated problems in an attempt to bring about a solution. It is most urgent that the conference report be adopted without delay. As a matter of fact, tobacco sales were discontinued in Tennessee and Kentucky because of lack of funds in the Commodity Credit Corporation. So I hope the Senate can immediately take up the conference report so our farm programs can go forward without hesitation.

Mr. HOLLAND. Mr. President, on behalf of myself and the other members of the conference, I now submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate

to the joint resolution (H.J. Res. 234) making supplemental appropriations for fiscal year 1965 for certain activities of the Department of Agriculture, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KUCHEL. Mr. President, I wonder if my able friend from Florida will give me his attention? Our distinguished colleague from Vermont [Mr. PROUTY] desires a live quorum to be instituted. I wonder if my friend from Florida might consider having a live quorum before he explains the conference report in detail.

Mr. HOLLAND. I want the conference report to be made the pending business.

Mr. KUCHEL. It is.

The PRESIDING OFFICER. The conference report is the pending business before the Senate.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. PROUTY. I agreed to a termination of the last quorum call, which I wanted to be live, in order to accommodate the majority leader. He suggested that immediately afterward I could ask for another quorum call. I intend to ask for the yeas and nays on this conference report. I think more Senators should be on the floor before the conference report is presented.

Mr. JAVITS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from New York.

Mr. JAVITS. I invite the attention of the Senate to the fact that the conference report has an important provision with respect to the question of whether food should go to the United Arab Republic and Nasser. I continue to feel strongly that we should have gone the way of the House—namely, to cut off the possibility of further shipments under the present agreement—nonetheless, the Senate went the other way, and there is no use rehashing that issue now. However, I note with great interest that the conference report contains the following:

It is expected that the President will keep the Congress currently advised of any action taken in this connection.

I ask the Senator from Florida, the Senator in charge of the conference report, to please confirm to the Senate whether this means specifically that the President will keep Congress currently advised any time he exercises the authority proposed to be given to him under the amendment. If he certifies that in the national interest shipments should continue to be made, will the President advise the Congress as to the reasons for such certification?

Mr. HOLLAND. First, the words cited by the Senator from New York are not in the conference report. They are in the report of the managers of the House. They were included after discussion between the House and Senate conferees. The Senate conferees were strong for their inclusion, and we were glad that they were included.

There is no provision for certification. We understand that the conferees are serving notice on the Chief Executive that Congress expects to be informed step by step, if further steps are taken in connection with the outstanding sales agreement under title I of Public Law 480, with the United Arab Republic.

Mr. JAVITS. It does specifically refer to the authority of the President, notwithstanding the restriction in the amendment, does it not?

Mr. HOLLAND. It refers to the action of the President—if he takes any—in determining that it is in the national interest to fulfill all or any part of the remaining part of the 3-year contract—which has less than 5 months yet to go. If the President determines that any part or all of it should be fulfilled, in the national interest, we understand that we have served notice on him that we expect to be advised from time to time of any such determination.

Mr. JAVITS. The Senator from Florida has taken a fiduciary position with respect to the views of Senators upon various matters. Would the Senator feel that this particular provision in the report of the House managers would entitle the Senate committee to question the proper authorities as to the basis upon which the President had made his determination?

Mr. HOLLAND. I could not state that categorically. The chairman of the House Committee on Appropriations, Mr. MAHON, raised this question. He discussed it directly with the President, as we understood, and he wished to insert this language, to state in effect, that we were expecting that kind of treatment. We were glad to approve it. It is in the report by reason of the approval of the conferees on both sides, although there is no such report on the Senate side, as the Senator from New York knows.

Mr. JAVITS. Much as I opposed the original provision, I feel that this is most helpful. I thought the Record should spell out exactly what was the intention, which the Senator has now done.

Another question: With respect to the Veterans' Administration provision barring the closing of hospitals, or even threatening moves in that direction, up to May 1, the Senator made it clear that it had reference to certain named hospitals to which Senators had referred in debate.

I gather—and I am sure the Senator from Florida can properly confirm this—that there is no restriction on the applicability of this particular provision to any one veterans' hospital, or more, in any State, but that it applies to all the hospitals which received notice of intention to close.

There are three hospitals in New York State which received this notice. New York State is hardest hit. They would be included, I gather, with all the other hospitals to which this closing notice would apply?

Mr. HOLLAND. The Senator from New York is correct. No attempt was meant to name any hospital, or regional facilities, or other offices of the Veterans' Administration. This provision is applied to all facilities of the Veterans' Administration proposed by the Administrator, Mr. Driver, to be closed by the announcement of January 13.

It applies no further than that. It applies equally to those now threatened with annihilation—if I may use the word—by the announced intention of the Administrator.

Mr. JAVITS. Is it fair to say that this provision not only stays the "guillotine," but also is intended to give an opportunity for review of the facts and circumstances which many Senators and Representatives have submitted to the Veterans' Administration, some of which were acknowledged to be new, and not previously considered?

Mr. HOLLAND. I understand that full opportunity would be given by this provision to Senators and to Representatives, also to veterans' organizations, and to citizens of the communities affected, to appear and to be heard, so that a full picture could be made of the importance of continued maintenance, or abandonment, of a particular facility.

Mr. JAVITS. My last question is: There is nothing implied in this report, is there, which would prevent Congress from imposing some new or supplemental restriction after May 1? I gather we have not undertaken an implied deal by which we are going to go along with the Chief Executive from now on. I assume that this language means exactly what it says—namely, "May 1"—from then on we are to be as much free agents as the Chief Executive.

Mr. HOLLAND. Mr. President, there is no thought of relinquishing any jurisdiction of Congress nor of assuming any jurisdiction of the executive department, except to impose the necessity of delay in the proposed action between now and May 1.

Mr. JAVITS. I thank the Senator.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, before I make an explanation of the conference report, I have an understanding with the distinguished Senator from Vermont that I may yield to him so that he may suggest the absence of a quorum, and that a live quorum will be developed. I yield to him with that understanding.

Mr. PROUTY. I am grateful to the Senator from Florida. I suggest the absence of a quorum. It will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 18 Leg.]

Alken	Harris	Murphy
Anderson	Hart	Muskie
Bass	Hartke	Nelson
Bayh	Hayden	Neuberger
Bible	Hill	Pastore
Boggs	Holland	Pearson
Brewster	Jackson	Pell
Burdick	Javits	Proutty
Byrd, Va.	Jordan, N.C.	Proxmire
Byrd, W. Va.	Kennedy, Mass.	Randolph
Cannon	Kennedy, N.Y.	Robertson
Carlson	Kuchel	Smathers
Case	Magnuson	Smith
Church	Mansfield	Sparkman
Cooper	McClellan	Stennis
Cotton	McGee	Symington
Curtis	McIntyre	Talmadge
Dominick	McNamara	Thurmond
Douglas	Metcalf	Williams, N.J.
Ellender	Mondale	Williams, Del.
Ervin	Monroney	Yarborough
Fannin	Montoya	Young, N. Dak.
Fulbright	Morton	Young, Ohio
Gruening	Moss	

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. LAUSCHEL], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Pennsylvania [Mr. CLARK] are absent on official business.

I also announce that the Senator from South Carolina [Mr. JOHNSTON], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Tennessee [Mr. GORE] are necessarily absent.

I further announce that the Senator from Hawaii [Mr. INOUE] and the Senator from Georgia [Mr. RUSSELL] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Hawaii [Mr. FONG], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Nebraska [Mr. HRUSKA], the Senator from Idaho [Mr. JORDAN], the Senator from South Dakota [Mr. MUNDT], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN], and the Senator from Pennsylvania [Mr. SCOTT] are detained on official business.

The PRESIDING OFFICER (Mr. MONDALE in the chair). A quorum is present.

Mr. HOLLAND. Mr. President, if I may have the attention of Senators, I shall not require more than a few minutes to outline the details of the conference report. Then I shall be very glad to answer any questions that may be asked.

I wish to advise the Senate of the action taken by the conference committee to reconcile the differences between the House version and the Senate version of the joint resolution making supplemental appropriations for the Depart-

ment of Agriculture. As the joint resolution passed the Senate, it contained four amendments. Senate amendment No. 3 would strike out the House language in regard to the shipment of agricultural commodities to the United Arab Republic, pursuant to the sales agreement entered into October 8, 1962, as amended.

The conference agreed to the Senate amendment to the House language in regard to that provision, but under the rules of the other body, amendment No. 3 and other amendments are reported in technical disagreement, and after adoption in the House, and they have been adopted, they will be reported to the Senate separately after adoption of the conference report.

I have discussed amendment No. 3 first because the conference agreement on that amendment is the same as the Senate version.

In regard to the amendments dealing with agricultural research, the conference committee has agreed to an amendment to Senate amendment No. 1 pertaining to the elimination of research stations and lines of research announced by the Secretary of Agriculture on December 31, 1964. Senate amendment No. 1, as amended, provides that no action will be taken to eliminate or to phase out any of the agricultural research stations or lines of research enumerated in the Secretary's announcement of December 31, 1964, until after next May 1, 1965.

As chairman of the Subcommittee on Appropriations for the Department of Agriculture, I expect to conduct special hearings on this matter, and with the consent of the subcommittee and the full Committee on Appropriations, if necessary, I will undertake, prior to next May 1, to make certain that these hearings are completed and the Secretary is advised of our findings and recommendations.

INFORMATION REQUESTED OF THE SECRETARY

In order to facilitate consideration by the subcommittee, I expect that the Secretary of Agriculture will furnish promptly much more specific details than were supplied in his press release of last December 31, in which he merely announced some general criteria which had been used by the Department in arriving at the decision to eliminate certain research activities.

As I stated on February 3, when the Senate was debating the joint resolution, it is my belief that the committee should be specifically apprised as to how the criteria referred to in the Secretary's press release of December 31 are to be applied to the various research stations and related lines of research covered in his announcement.

As previously stated, I do not want the Secretary of Agriculture to regard the action of the committee as any deterrent to discourage him from making proposals for economy; but I am sure that most Members of the Senate share the belief that in regard to agricultural research activities—most of which is of a long-term nature—such reductions should be presented in the normal fashion as a part of the annual budget presentation for the ensuing fiscal year.

I expect that hereafter the Secretary of Agriculture will see fit to follow the normal budgetary procedures and will justify in some detail any proposals to eliminate or curtail agricultural research.

In order to facilitate the compilation of basic information needed by the committee, so that it may be in a position to consider, and to act upon, and then to advise the Secretary of Agriculture as to its conclusions in regard to the elimination of agricultural research, I request that the Secretary see to it that the committee is promptly provided with the additional data to which I referred in connection with my presentation of the joint resolution before the Senate on February 3.

Mr. President, I ask unanimous consent that an excerpt from my statement of February 3, which appears on page 1893 of the CONGRESSIONAL RECORD, be printed at this point in the RECORD and be considered as part of the general directions to the Secretary as to the type of information requested by this committee.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

RESEARCH INFORMATION TO BE SUPPLIED TO THE SENATE COMMITTEE

The committee should be promptly advised as to the original purpose for the establishment of these lines of research and research stations; the accomplishments of such research activity if any; the problems which need further investigation, a summary description of current investigations and their objectives; the economic importance of the research investigations by activities or by commodity; whether the research is directed to and results in research findings of regional or local significance; and in cases of local significance, whether the State or States involved plan to continue their research activity. Finally, any other additional pertinent data, such as the economic importance of the affected commodity, should be promptly assembled and furnished to the committee.

Mr. HOLLAND. Mr. President, the Senate also receded from amendment No. 2, which would have authorized the alterations necessary to install temporary humidity control equipment for the Metabolism and Radiation Laboratory at Fargo, N. Dak. The Senate receded from its amendment without prejudice in regard to that amendment. I think I should say that we expect to handle this item at a better time, procedurally. The conferees are not against the amendment.

Mr. President, before proceeding to a discussion of the amendments reported in disagreement, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. PROUTY. Mr. President, what was the motion?

Mr. HOLLAND. That the conference report be agreed to, so that the Senate may then consider the amendments reported in disagreement.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House Joint Resolution 234, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the resolution (H.J. Res. 234) entitled "Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes," and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "No funds heretofore appropriated to the Veterans Administration shall be utilized prior to May 1, 1965 for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans' Administration or with respect to the withdrawing, transferring or reducing of services heretofore made available to veterans."

Mr. HOLLAND. Mr. President, I ask that amendment No. 1 in disagreement, already adopted by the House, be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the resolution (H. J. Res. 234) entitled "Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes", and concur therein.

Mr. PROUTY. Mr. President, on this amendment, I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the House to the amendment of the Senate numbered 1.

Mr. HOLLAND. Mr. President, the revised amendment No. 1 has not been read.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research."

The PRESIDING OFFICER. On this question a division has been requested.

Mr. HOLLAND. The conferees favor the amendment of the House to the amendment of the Senate numbered 1.

The PRESIDING OFFICER. The question is on agreeing to the House

amendment to Senate amendment No. 1. (Putting the question.)

Mr. HOLLAND. Mr. President, apparently, Senators did not hear the amendment as read. I think the Senator from Vermont [Mr. PROUTY] intended to discuss this amendment. I ask that the amendment be reread and that it may then be discussed briefly.

The PRESIDING OFFICER. Without objection, the amendment will be reread. The legislative clerk read as follows:

In lieu of the matter proposed, insert the following: "Provided, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research."

Mr. HOLLAND. Mr. President, this amendment means that as to research proposed to be eliminated and the lines of research proposed to be eliminated in the announcement of the Secretary dated December 31, 1964, no money now appropriated can be used, either for the phasing out or for the actual closing, until after next May 1.

I have already announced to the Senate that as chairman of the Subcommittee on Appropriations for Agriculture, I expect to begin hearings at an early date. We have given some instructions in the RECORD to the Secretary of Agriculture as to the kind of information we want.

We shall, of course, give public notice, so that Senators, Representatives, commodity groups, and citizens who wish to be heard may appear and be heard. Similar action will undoubtedly be taken in the other body. These questions on research activities are all to be heard shortly, so that if Congress wishes to take an affirmative position on the subject, or on any part relating to any particular one of the stations or lines of research, it will have time to do so.

In discussions with the President, Representative MAHON, chairman of the House Committee on Appropriations, and I, as chairman of the conferees on the part of the Senate, have been advised by the President that he believes this is all right. He will approve it and will see to it that there is no phasing out or closing until the matter can be fully heard and acted upon, if necessary, prior to May 1. That is the purport of the amendment. I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the House amendment to Senate amendment No. 1. On this question, a division has been requested.

On a division, the House amendment to Senate amendment No. 1 was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "No funds heretofore appropriated to the Veterans' Administration shall be utilized prior to May 1, 1965, for the purpose of implementing any order or directive of the Administrator of the Veterans' Administration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans'

Administration or with respect to the withdrawing, transferring, or reducing of services heretofore made available to veterans."

The PRESIDING OFFICER. The question is on agreeing to the House amendment to Senate amendment No. 4.

Mr. HOLLAND. Mr. President, before discussing that amendment, I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Mr. President, as to Senate amendment No. 3, which was reported in technical disagreement to the House, and accepted by the House in its action on the conference report—that is a Public Law 480 amendment—I understand that that was adopted when the conference report was adopted.

The PRESIDING OFFICER. That is correct.

Mr. HOLLAND. Mr. President, I thank the presiding officer. That leaves only Senate amendment No. 4 to be acted upon. I understood that the distinguished Senator from Vermont wished to be heard on that amendment after it was reported.

The PRESIDING OFFICER. The amendment has been reported.

The Senator from Vermont is recognized.

Mr. PROUTY. Mr. President, last week by an overwhelming vote, the Senate expressed a very strong conviction that no veterans installation should be closed anywhere in this country.

We find today that under the conference report, an additional 75 days of grace are given to the conferees. This means, in my judgment, absolutely nothing. It means there will be 75 days within which the Veterans' Administration will be making feverish efforts to close 32 or 33 veterans installations in the country. But, be assured that this is only the beginning. Many others, which are not included in this list, are scheduled for closing later on in a drastic reduction of services.

I understand that the Administrator of Veterans' Affairs, Mr. Driver, and the Secretary of Agriculture, Mr. Freeman, appeared before the conferees. Both agreed, at one point at least, to submit a letter indicating that no action would be taken prior to July 1.

I believe Mr. Freeman actually submitted such a letter later. Mr. Driver was in the process of preparing one, but was finally notified by someone in the executive branch that it would not be acceptable to the President.

In the past, Mr. Driver has been the whipping boy in this situation. We must now recognize that the President of the United States must assume full responsibility for whatever action is taken to close the veterans hospitals.

I was present in the House of Representatives briefly this afternoon. In response to a question by a Representative, the chairman of the House Committee on Appropriations said that a few days' delay would make no difference insofar as the Commodity Credit Corporation was concerned.

My original intention was to move that the Senate insist on its amendments and ask for another conference. That was

not possible. We did not have the votes to do it.

But, it seems to me that any of us who vote in favor of the conference report, or of this particular amendment, are saying in effect to the veterans of the United States, "Despite our wishes to the contrary, the President of the United States insists that we close these installations. We have no alternative other than to go along."

Obviously, we expect that appropriation bills will be ready for consideration by Congress before May 1. An amendment similar to that contained in the joint resolution might be incorporated in an appropriation bill.

We have no chance whatsoever to stop the Veterans' Administration from commencing this program on May 1. We may be certain that it will be pretty well completed by July 1. Once these installations are closed, obviously they will not be opened again. And, no one would suggest that they be.

Perhaps the action of the Veterans' Administration has raised a serious constitutional question. I assume that when the representatives of the Veterans' Administration appeared before the Committee on Appropriations to ask for funds for certain specific purposes, included among those purposes was no proposal to close these installations. But the President gave his approval to the appropriations scheduled for the Veterans' Administration.

Obviously if he were opposed to it, he would have vetoed it. So here we are. In effect, we are saying here and now by this vote that we are going to permit the closing of the veterans' installations throughout this country and make veterans travel hundreds and sometimes thousands of miles to find a hospital bed.

Some veteran may die because there is no hospital near enough to take care of an emergency situation. I do not want that on my conscience. That is why I shall vote against the amendment.

Mr. HOLLAND. Mr. President, I yield to the senior Senator from Montana.

Mr. MANSFIELD. Mr. President, I dare say there is no Senator who is more deeply interested in the Veterans' Administration problem than I.

I believe the distinguished senior Senator from Florida has done the best he possibly could to give us an opportunity to have our request heard before our own committees so that if the arguments are on our side—and I assure the Senator that so far as Miles City is concerned, the arguments are on our side—we shall have a chance. I do not believe that voting against this amendment means that we are an enemy of the veterans. I will stake my record against that of anyone insofar as veterans' affairs are concerned.

This is a chance for us to get out of a situation which, if we do not take it, may well mean the end of all veterans' hospitals, domiciliaries, and the like.

I would hope that we would uphold our committee, which has upheld the action of the Senate despite the individual feelings of some of the members, to the end that we can pass this conference report. I do not care too much about the CCC

funds in this report, because a delay would not do much damage. But I do care about the veterans and the care which we promised them.

I most certainly care about the Veterans' Administration facility at Miles City. I am not being parochial in my view. There is not an argument that will hold up so far as Miles City is concerned.

I repeat that I have as much interest in this matter as has any other Senator, if not more than most. I am willing to go along with the committee. I think it has tried to protect our interest, and it has given us a chance, within a certain period of time, to make our case.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I appreciate the courtesy of the Senator from Florida.

As the Senator knows, I have sat in the hearings of the Veterans Subcommittee of the Committee on Labor and Public Welfare concerning this problem.

I have heard the very distinguished majority leader give his testimony before the committee. I have heard the distinguished Senator from Vermont [Mr. PROUTY] give his testimony. We have had extensive cross-examination of the Administrator. The senior Senator from New York [Mr. JAVITS] and the junior Senator from New York [Mr. KENNEDY] have been present. The senior Senator from Florida [Mr. HOLLAND] has presented a statement. It has been an extensive hearing. The problem that we see, and that I object to as the ranking Republican member of that subcommittee at the moment, is that the Administrator has taken the position that regardless of the facts that we bring out with respect to the particular hospitals that may be involved, he, or someone else in the administration, has made a policy decision that, come hell or high water, the hospitals are to be closed.

I should like to know whether the Senator, in the course of his discussion with the Director of Veterans' Affairs during this conference, was able to obtain any indication from Mr. Driver as to whether he was willing to review this problem in an effort to determine whether or not a change in his policy decision might be made on an individual basis.

If we do not have such assurance, we shall have to enact some kind of mandatory legislation. We shall have to do it soon if we are to take care of any remote areas, such as Miles City, Mont., or Grand Junction, Colo.

Mr. HOLLAND. Mr. President, my first statement would be that, as I view this amendment, it would lay a proper predicate for the enactment of mandatory legislation mentioned by the Senator, in the event Congress should feel that mandatory legislation was required.

I do not believe that any predicate now exists for the enactment of any such mandatory legislation.

On the second question, the Senator from North Dakota [Mr. YOUNG] was with me—he is not in the Chamber at

the moment, but he is somewhere near—at the conference with Mr. Driver, the Administrator of the Veterans' Administration, and with Secretary Freeman from the Department of Agriculture. I cannot say that Mr. Driver made any statement that was in the words, or even in the substance, mentioned by the Senator from Colorado; but I think I should relate the whole course of negotiations, because mention has been made of them by the Senator from Vermont [Mr. PROUTY].

Day before yesterday, realizing that this whole measure was in a rough form, I went to the Senator from Montana [Mr. MANSFIELD], and he called in the Senator from New Mexico [Mr. ANDERSON], a representative of the Senator from South Dakota [Mr. MUNDT]. I was not present at their conference. I suggested that I felt that, instead of the absolute stoppage of any closing of either regional offices or hospitals, which was attempted by the original wording of the amendment, which I thought was unfortunate, some approach should be taken similar to the wording that was put in the agricultural research amendment, which was simply a holding up of the final decision until hearings could be completed and actions taken. When we got to a final answer from these gentlemen, realizing our great trouble, I understood they felt July 1 would be a date which would make very sure that all the preliminary hearings or substantive legislation that might be required could be completed.

I took up that matter with the liaison branch of the White House. I understood from that source that that course was thoroughly acceptable to the White House. I so reported to the conferees. We proceeded yesterday, on the basis of what I thought was a firm understanding, to request letters from the Secretary of Agriculture and the Administrator of Veterans' Affairs, holding the matter in complete abeyance as to the phasing out and the closing out until July 1.

Such a letter was furnished by the Secretary of Agriculture. After some checking—and I do not know what checking he did with the White House—the Administrator of Veterans' Affairs came down. I did not consult him. He came down after being contacted by someone in the White House, and had the conference with us which I related a few minutes ago. We agreed on the form of his letter. He went over to the House wing of the Capitol, along with the majority leader, and reduced the understanding to a letter similar to the one which had been delivered by Secretary Freeman.

While he was phrasing that letter, or having it typed, and prior to delivery of it, he received a call from the President himself, as he told us later, asking him not to deliver the letter.

Later the Secretary of Agriculture called Mr. MAHON and called me, and asked that his letter be returned, stating that this was at the direction of the President.

Obviously, since we took no final action and were awaiting Mr. Driver's letter—we had gotten to the point where the

members of the conference committee had signed the conference report—it then became evident that there had been a lack of liaison at the White House. I do not care to comment on that, because I realize that the President, with South Vietnam and other matters on his mind, cannot be approached all the time by the liaison officers who contact the two Houses of Congress.

At any rate, the President saw fit not to follow the course that had been indicated in the previous contacts with the liaison officers. I have no criticism to make of that, because I realize the critical nature of international affairs. At any rate, the conference was not concluded.

This morning the President called me, and I understand he also called Chairman MAHON of the Appropriations Committee of the House, and said he was perfectly willing to have the Senate and House examine into the closings, was perfectly willing to have the appropriate committees investigate the matter, and was perfectly willing to have the heads of the agencies cooperate, but he felt that July 1 would be too late for him to make plans for the next fiscal year. He suggested first an earlier date, and then later May 1, as the date which he felt should be agreed upon. I reported that fact to the conference committee, and Chairman MAHON also reported the same way.

We would much have preferred to have the date of July 1. At the same time we realize that there is more involved than one branch of the Government. We propose to fulfill our obligations, notwithstanding the fact that I did not support the amendment affecting the Veterans' Administration on the floor, since it was inappropriate at the time. But I fought for it in every way I could, and I am sure every other member of the conference committee will state that that was the case.

It finally appeared to all of us—and there was a difference of opinion among the conferees on our side as well as the conferees on the House side—that perhaps May 1 was the best date that could be worked out with assurance, or virtual assurance, of the House adopting the amendment, and we hoped for adoption of the amendment in the Senate.

We were careful in the conference, to say that we could not speak for all Members in the Senate on the Veterans' Administration amendment. At the same time, we had conferred with some of them. I believe they felt that was the best that could be done. We were also bolstered by the assurance from the President, given directly to both Mr. MAHON and myself, that if this arrangement were made, no phasing out or closing would be undertaken until after May 1. This date would put it up to the Senate and the House to hurry with their hearings and to take such action as they might see fit to take, prior to May 1, 1965.

That is the best date that could be agreed upon. Since the House was receding on the Public Law 480 amendment, and since the leaders on the House side were agreeing with the Senator

from North Dakota [Mr. Young]—I am sorry he is not present at the moment—and the Senator from Florida, that we would, at a later date, again recommend to Congress the proposal of the Senator from North Dakota.

It was for those reasons that the conference report was filed. At the time of signing the conference report, which was about noon today, the Senator from South Dakota [Mr. Mundt] was in Texas. I have heard someone else say that he is now in Kansas City, making Lincoln Day speeches. The Senator from Massachusetts [Mr. Saltonstall] is in Boston on the same kind of mission. The details were so reported to me that we could not get any specific dates from either of them for the signing of the report by the Senator from North Dakota [Mr. Young], who was the only minority conferee present at that time.

Later, the Senator from North Dakota [Mr. Young] had direct authorizations from the Senator from South Dakota, and from the Senator from Massachusetts [Mr. Saltonstall], to sign their names to the report; and the Senator from North Dakota [Mr. Young] then indicated that he would like to sign it, also. He had withheld his signature earlier, not because he did not believe it was the best that we could do, but because he wished to protect the absent Senators.

Therefore, at the beginning of the hearing, 13 of those signatures have been appended to the report from both bodies indicating that they agree with the Speaker, that this is the best conference report that we could possibly hope to bring, and the best results that can be accomplished. If that were not the case, I would not be recommending it.

Mr. DOMINICK. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. DOMINICK. The hearings have been extremely interesting in many other ways. This leads me to another question: Originally a release issued by the Veterans' Administration stated that the closing moves would save the taxpayers \$23.5 million. Cross-examination of the Veterans' Administrator indicated clearly that the closings would not save the taxpayer 1 nickel, that exactly what the Veterans' Administration was going to do was to take the money which would be used in maintaining these hospitals to maintain different hospitals in different areas. It will ask for a higher budget than it had before.

It became apparent, during the process of the examination, that what the Veterans' Administration was doing was raising the policy conclusion that the area of facilities for veterans should be shifted from where they were to different areas, and that the more remote areas were going to have no facilities left at all, and that they were to be centralized in urban areas.

It strikes me that if this has been made a policy matter, it should be made crystal clear for the Record that I, as a Senator—and many other Senators—object to it. There will be no savings to the taxpayer, as the administration has propagandized all over the country, and

it will be centralizing instead of trying to decentralize so that it can provide adequate service to veterans.

Was there any consideration on the merits of the taxpayer position made during the Senator's conference with Mr. Driver, or was it only on the date situation?

Mr. HOLLAND. There was some discussion on that subject, but we felt that the able committee on which the Senator from Colorado is the ranking minority member was the appropriate committee to make a study of this matter and report.

Likewise, we feel that the Subcommittee on Appropriations headed by the able Senator from Washington [Mr. Magnuson]—and I happen to be a member of that subcommittee—is a similar appropriate committee to go into the problem.

Although I cannot speak for the Senator from Washington [Mr. Magnuson], I am just as sure as I can be that he will expedite the hearings on this matter, because he knows it is a matter of great importance to the Senator from Colorado, to me and to other Senators.

I believe that when a clear picture is developed from the hearings, it is quite possible the results will then justify a changing of the listing of the facilities and the hospitals to be closed.

I have been through these closing problems before. In Florida, a few years ago, the Veterans' Administration moved a facility from Miami—the home of my able junior colleague—to St. Petersburg one of the two regional offices in Florida. We did not like it. We made known our dislike, but we did not try to stop it, however, and it was subsequently done. It has worked out well. There are some regional closings involved in the program which I suspect will work equally well.

Mr. DOMINICK. I believe that is probably true.

Mr. HOLLAND. There were five regional offices in Texas, and it was proposed to reduce them to two. The President is a Texan. The chairman of the Appropriations Committee of the House is also a Texan. I heard from both of them that that was the case.

There are other facilities and some hospitals where the Senator from Colorado and other Senators may find it difficult to protest promptly against any proposed change; but I am as sure as that I am standing here that there will be cases in which a change in objective will have to be made after all the facts are in.

I have no right to decide in advance. I cannot speak for Mr. Driver. I cannot speak for the President. All I can say is that I believe they are reasonable men; and I believe, as does the Senator from Colorado, that there will be cases in which it will clearly appear, when the facts are all in, that the proposed closing would be unfortunate and a mistake, but I could not give him any assurance that such would be the case.

Mr. DOMINICK. I appreciate that.

Mr. HOLLAND. So far as I am concerned, the hearings on the research stations for agriculture—I know more about that subject than I do about the Veterans' Administration hospitals—I am just

as sure as I am of standing here that the same results will be accomplished in that field, although I believe that some of the stations proposed to be closed have already carried out the purpose for which they were established.

Mr. PROUTY. Mr. President, no one could have done a better job than my dear friend, the Senator from Florida, and the other conferees. I believe that they made the best of a bad case.

I am neither a prophet nor the son of a prophet; but I venture to suggest that come July 1 many, if not all, of the installations will be in the process of being closed, if not already closed, with many more to follow in the months and years to come.

I wish the veterans of my State to know that I am bitterly opposed to this whole program. Therefore, I feel that I have no alternative other than to vote "nay" on the amendment.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ANDERSON. Mr. President, I agree with the Senator from Vermont. The language in this bill means absolutely nothing. It means less than nothing when we go into the history. There is nothing in the language as to the kind of veterans' benefits that will be provided for the best interests of this project.

The conduct of the majority leader has been commendable and exemplary. As was stated, this means that our cases can be heard.

I respectfully suggest that it does not mean that at all. We have been trying for a long time to have some of the cases heard, and the Veterans' Administration absolutely refuses to hear them. There is no language in this amendment to suggest that they should be heard.

I wish to touch on that point because it was a part of the agreement that the Senator from South Dakota [Mr. Mundt] had at one time, at least. I was a co-author with the Senator from South Dakota [Mr. Mundt] on this joint resolution. Therefore, I was extremely anxious that he should be consulted.

In a telephone conversation with him today, in the office of the majority leader, in which the Senator from North Dakota [Mr. Young] participated, we talked about this matter. I suggested to the Senator from South Dakota [Mr. Mundt] that this question could be cleared up properly in satisfactory fashion, because we could require that the hearings be held in 30 days.

The Senator said, "Will they be finished?"

I said, "Yes; they can be held and finished in 30 days."

On that basis, the Senator from South Dakota [Mr. Mundt] mentioned a date of perhaps May 15 or June 1.

There is not a word in this amendment about hearings. Mr. Driver can do as he pleases. What he has been pleased to do is to ignore congressional delegations and pay no attention to them whatever. He pays no attention to veterans' organizations, either. He says, "I am going to close this place," and that is all there is to it. Therefore, I do not believe that his mind will be influenced by

language as innocuous as this language.

I am not trying to be critical of the Senator from Florida, but I suggest that the Senator from South Dakota [Mr. MUNDT] has some rights in this matter, too. I do not believe I presented to him the point that they were going to violate what I regard as an existing cardinal principle and have some hearings for 30 days. The Senator from Florida knows what took place. People were going to write letters. Why did they not write letters?

That constituted a promise. When we make a promise, we must live up to it.

The first discussions of it were on the basis that the promises would be conveyed by letters. When the able Senator from Florida first approached the majority leader—and I believe I am correct in saying this—there was discussion of this matter. Am I correct in that statement?

Mr. HOLLAND. The Senator is correct.

Mr. ANDERSON. The closings will be made and it will be said that there was no commitment that they would stay open. The date originally discussed was July 1. Now it has been made May 1. That is a change of 60 days in the wrong direction. That is why I say the Senator from Vermont is probably correct, that this statement means absolutely nothing. I hope hearings will be held on it. A great many people resist what the Veterans' Administration head has said would be done.

If the head of the Veterans' Administration is correct in his contention that the only way to do it is to build big hospitals, why do we not build them all in one place, and why do we not bring all the people into Bethesda, for example. What about the veteran who lives in a locality, and who has lived there for a long while, and who is perfectly satisfied with the service he is receiving? It is probably a more progressive hospital than the one to which he will be sent. He has no choice, Mr. President. He must go where the head of the Veterans' Administration sends him. In our case, we asked that a panel of doctors be sent to determine whether the hospital being closed was more progressive than the one to which the veterans would be sent. Does anyone suppose that the Veterans' Administration would do that? Of course not. They are not interested in that. To do so would destroy the whole basis for their decision.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG of North Dakota. The distinguished Senator is making a very important point. The Veterans' Administration is bound to close many hospitals which have and continue to satisfy many veterans. At the same time the Veterans' Administration urged the Bureau of the Budget to approve \$112 million for construction of new hospitals and domiciliary facilities. The veterans themselves are not complaining about the hospitals. It is the personnel within the VA who want to move to the big cities.

Mr. ANDERSON. Mr. President, of course that is correct. The movies are

better in the big cities, and the golf courses are better around the big cities. We have had an indication of what would happen to the veterans that are now being taken care of at Fort Bayard in New Mexico. The Veterans' Administration plans to move to San Antonio, when a new building is built there at a cost of about \$20 million. Why should that be done, if the veteran in New Mexico is satisfied with the service he is getting at Fort Bayard? Why should he go from Silver City, N. Mex., for example, to San Antonio, Tex? Why should he be forced to travel a distance that is as far as the distance from New York to Chicago?

If it were proposed to close the veterans' facilities in Chicago and make all the veterans go to New York, we would hear some wild outcries. Apparently it is all right to do this in the Southwest because people there are apparently accustomed to traveling long distances.

It is all right to close one down in Montana and to close one down in Colorado. There is a good hospital in Colorado.

May 1 will come and go, and not one of these hospitals will remain open. Every one of them will be closed by May 1. I am sure the decision has been reached.

Many of us had hoped that we would at least have an opportunity to plead our case. We have heard a great deal about civil rights. Mr. President, do not veterans have any civil rights? Do not their representatives in Congress have a right to go to the Veterans' Administration and object to the closing of veterans' facilities and to present the information they have and show what is wrong with the Veterans' Administration's decision?

Mr. President, the decision to close these hospitals was taken by someone sitting in Washington, who has never even seen the hospitals or their surroundings.

May 1 will come and we will find that hearings have not been held. May 1 will come and we shall find that not one of the hospitals has remained in use. They will move everything out of Fort Bayard. We have seen what has happened there. They will put tags on people, so they will know where they are going. The veteran will say, "I cannot stay here. They are moving out the X-ray machine; they are removing the operating table." The Veterans' Administration will say, "We are not going to close the hospital. We are just telling everybody to get out."

The same situation holds in Beaumont, Tex., where an Army hospital is preparing 50 beds for veterans. That is being done in contradiction of the law.

I realize that we cannot do anything about it. The able Senator from Florida has done a fine job in representing a viewpoint with which he may not be in full sympathy. I commend him for it. I regret that we find ourselves in a situation in which nothing will be done. The Senator from South Dakota [Mr. MUNDT] is right; nothing will take place.

Mr. McGEE. Mr. President, as we vote today on the question of whether or not we should follow the recommendation to close several important Vet-

erans' Administration facilities throughout the country, I suggest that we should pause a minute to recognize that the pressure for such closings might well have resulted from the cheap attacks mounted on Federal spending by those politicians who found it personally expedient in their brand of campaign politics.

I suggest that those who engaged in these tactics take a long, hard look at their conscience as they now vote to prevent these closings. Those of us who did not participate in the campaign to exaggerate and discredit the true nature of Federal expenditures and their purposes can vote today in clear conscience.

I for one feel strongly that the veterans facilities should be compelled to remain open as a just and deserved service and convenience to the veteran. I believe this is something that we can and must afford.

The political demagogues who only a few months ago were clamoring for economy at all costs are now hoist on their own petard.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the House to Senate amendment No. 4.

Mr. HOLLAND. Is the question on agreeing to conference committee amendment, as already adopted in the House?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROUTY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROUTY. A "nay" vote means a vote in opposition to the May 1 basis which has been approved by the conferees; is that correct?

The PRESIDING OFFICER. The Chair cannot interpret legislation.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Oregon [Mr. MORSE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from Georgia [Mr. RUSSELL] are absent because of illness.

I further announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Missouri [Mr. LONG], the Senator from

Louisiana [Mr. LONG], the Senator from South Dakota [Mr. McGOVERN], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Maryland [Mr. TYDINGS], and the Senator from Oregon [Mr. MORSE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Hawaii [Mr. FONG], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Nebraska [Mr. HRUSKA], the Senator from Idaho [Mr. JORDAN], the Senator from South Dakota [Mr. MUNDT], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN], and the Senator from Pennsylvania [Mr. SCOTT] are detained on official business.

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from Illinois would vote "yea" and the Senator from Hawaii would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Idaho would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Iowa would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Wyoming [Mr. SIMPSON]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Wyoming would vote "nay."

If present and voting, the Senator from Colorado [Mr. ALLOTT] would vote "yea."

The result was announced—yeas 62, nays 9, as follows:

[No. 19 Leg.]

YEAS—62

Anderson	Hartke	Muskie
Bass	Hayden	Nelson
Bayh	Hill	Neuberger
Bible	Holland	Pastore
Brewster	Jackson	Pell
Burdick	Jordan, N.C.	Proxmire
Byrd, Va.	Kennedy, Mass.	Randolph
Byrd, W. Va.	Kennedy, N.Y.	Robertson
Cannon	Kuchel	Smathers
Case	Magnuson	Smith
Church	Mansfield	Sparkman
Cooper	McClellan	Stennis
Curtis	McGee	Symington
Dominick	McIntyre	Talmadge
Douglas	McNamara	Thurmond
Ellender	Metcalf	Williams, N.J.
Ervin	Mondale	Williams, Del.
Fulbright	Monroney	Yarborough
Gruening	Montoya	Young, N. Dak.
Harris	Morton	Young, Ohio
Hart	Moss	

NAYS—9

Alken	Cotton	Murphy
Boggs	Fannin	Pearson
Carlson	Javits	Prouty

NOT VOTING—29

Allott	Hruska	Morse
Bartlett	Inouye	Mundt
Bennett	Johnston	Ribicoff
Clark	Jordan, Idaho	Russell
Dirksen	Lausche	Saltonstall
Dodd	Long, Mo.	Scott
Eastland	Long, La.	Simpson
Fong	McCarthy	Tower
Gore	McGovern	Tydings
Hickenlooper	Miller	

So the amendment of the House of Representatives to Senate amendment No. 4 was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate reconsider the vote by which the House amendment to Senate amendment No. 4 was agreed to.

Mr. KUCHEL. Mr. President, I move that that motion be laid on the table.

The motion to lay on the table was agreed to.

CRISIS IN VIETNAM

Mr. CHURCH. Mr. President, we all grieve the news that more American lives have been lost in South Vietnam. The President bears a heavy burden of decision. The seal of his office is an American eagle, clutching a bundle of arrows in one claw and an olive branch in the other. The judicious use of both the arrows and the olive branch represents our best hope of avoiding a widening war in Asia.

Our retaliatory blows should make it clear to Hanoi and Peiping that we will not quit under fire, nor withdraw, nor submit to Communist coercion. We can strike back by air and sea, from floating bases which are beyond Communist reach, and inflict heavy punishment upon them. Ours is not a position of weakness.

Therefore, it would behoove the Communists to desist, and to explore with us, and the other nations concerned, a way to an honorable settlement in southeast Asia—one which will guarantee both the neutrality and the independence of South Vietnam.

PAUL KITCHIN RETURNS TO NORTH CAROLINA

Mr. ERVIN. Mr. President, in each Congress there are a number of changes among the Members and the various committee staffs which cause each of us to feel a little less whole because of their absence. During the early days of this Congress, I have felt keenly the departure of a good friend and talented lawyer—the Honorable A. Paul Kitchin, a distinguished former Member of Congress, who has served the Senate so effectively as chief counsel of the Revision and Codification Subcommittee.

Paul Kitchin brought to the subcommittee a vast reservoir of experience. He is a competent and dedicated public official who has made an invaluable contribution to the Nation. I am sorry that I shall no longer have the daily benefit of his wise counsel, but I am delighted to know that the people of North Carolina will gain a fine citizen and attorney. He will carry to the people of North

Carolina the experience and wisdom gained from more than 20 years of public service, and I am sure they will benefit from it. I am certain that my colleagues here join me in wishing for him and his lovely wife much happiness as they return to their home in Wadesboro.

JUDICIAL REVIEW OF FEDERAL AID TO EDUCATION

Mr. ERVIN. Mr. President, the administration's education bill, which provides aid to parochial students by allowing them to use public school textbooks and public facilities on a shared time basis, is evidence of the increasing demands from religious institutions for access to the Federal Treasury. Because of the precedent established by such cases as *Massachusetts v. Mellon*, 262 U.S. 447, an ordinary taxpayer is generally precluded from contesting the constitutionality of these Federal expenditures to sectarian schools on the grounds that he does not possess sufficient standing to bring suit. As a consequence, a taxpayer whose rights guaranteed by the first amendment are actually violated may be without a judicial remedy.

The administration's bill makes it imperative that Congress establish legal procedures to determine whether this indirect aid to religious institutions conflicts with the mandate of the first amendment, which provides that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

The Washington Post for February 9 contained an editorial which takes an analogous position. The writer stated that it is important for the education bill to "contain a clause facilitating judicial review, so that courts may challenge and veto any practice which oversteps constitutional boundaries." In continuing, the writer expressed a sentiment with which I am in complete agreement.

Vital as education is to the national welfare—

He said—

it would be a travesty and a tragedy if the wall of separation between church and state were destroyed by a Federal aid to education program.

Mr. President, I ask unanimous consent that the Washington Post editorial of February 9, entitled "Support for the Schools," be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SUPPORT FOR THE SCHOOLS

For 20 years, Federal aid to education has been wrecked in Congress after Congress either on the Scylla of segregation or the Charybdis of church affiliation. Time and again, Congressman ADAM CLAYTON POWELL has added to a Federal aid bill his rider forbidding the allocation of funds to any school district discriminating among pupils on grounds of race; passage of the rider assured defeat of the bill. Similarly, strong differ-

ences of opinion regarding the extension of Federal aid to parochial as well as public schools have produced a succession of legislative stalemates.

There are high hopes that the current Federal-aid measure can escape these twin disasters. The situation has changed significantly. In the first place, Congress has, in effect, written the Powell amendment into the Civil Rights Act; there is now no need to prohibit the allocation of Federal funds to segregated schools, because the prohibition has become a matter of law. The religious issue is not quite so clearly settled. But the Supreme Court decisions in the prayer and Bible-reading cases have placed the issue in a new light. As we read these decisions, they hold that the first amendment precludes religious observances or indoctrination in tax-supported primary or secondary schools. Religious schools could not, therefore, accept Federal financial grants without abandoning their essential basis for existence.

President Johnson's current Federal-aid proposal seeks to compromise the religious issue without vitiating any constitutional principle. A compromise, by definition, is a settlement by which contending parties derive benefits sufficient to make the settlement acceptable. This seems to have been accomplished by the President's bill. Catholic leaders who felt strongly that earlier versions of Federal aid were unjust to their faith in excluding aid to parochial schools now seem inclined to support the current measure. And some, although by no means all, who insisted that any aid to parochial schools would be both unwise and unconstitutional, now acquiesce in the President's solution.

The solution gives aid to children indiscriminately, without giving direct aid to parochial schools. It does this, in the main, by utilization of certain community facilities on a shared time basis and by making available to children in private schools textbooks and related materials approved for use in public schools, with a proviso that they should not be employed for sectarian instruction or religious worship.

These are real benefits, and there should be no blinking at the fact. They make it easier and less costly for Catholic parents to send their children to parochial schools, or for any other parents to send their children to religiously oriented private schools, and to this extent they may be considered a governmental support of religion.

Several thoughtful and conscientious witnesses appearing before the House Committee on Education and Labor have opposed these features of the bill as constitutionally invalid and, as one put it, fatal to the integrity of our independent, secular public school system. We think these objections deserve the most careful consideration. Perhaps they can be overcome by more precise draftsmanship. The textbook provision in particular should be subjected to exacting debate.

We continue, however, to favor enactment of the bill. Determination of its constitutionality can be finally achieved only through specific application of its provisions. And these will be different in different places, for the measure affords a good deal of latitude to local community agencies. If the bill becomes law, shared time will be implemented one way in Wilkes-Barre, another way in Terre Haute, and the courts will have to decide what is permissible and what is impermissible by the traditional process of judicial inclusion and exclusion.

For this reason, we believe it imperative that the bill contain a clause facilitating judicial review, so that courts may challenge and veto any practice which oversteps constitutional boundaries. Vital as education is to the national welfare, it would be a travesty and a tragedy if the wall of separation between church and state were destroyed by a Federal-aid-to-education program.

CAPITOL GUIDE SERVICES IN FOREIGN COUNTRIES

Mr. WILLIAMS of Delaware. Mr. President, each year thousands of tourists, mostly schoolchildren, visit our Nation's Capital. During this visit these students tour the FBI, the Smithsonian Institution, the White House, and other places of interest, as well as the Capitol building itself. All of these public buildings are available in most instances with guide services free of charge except the Capitol.

Visitors who wish a tour of our Nation's Capitol are charged 25 cents each, and schoolchildren are charged 15 cents each.

I asked the Library of Congress to do some research as to the guide service that is provided in other capitol buildings throughout the world. It appears that in practically all of the major capitols of the world there is no admission fee.

It is true that at some of the foreign capitols guide service is not always provided, but in most instances free guide service is available to visitors. In none of the countries which the Library of Congress checked—France, Italy, the Soviet Union, West Germany, Canada, Great Britain, Mexico, Argentina, and Chile—were there any admission charges.

In my opinion a nation as prosperous as the United States of America can afford to give to its visitors, mostly schoolchildren, free guide service. In order to correct this present situation I am today introducing a bill, the purpose of which is to authorize the employment under the Civil Service rules of an adequate number of professional guides to take care of the guests of our Nation's Capitol.

Surely, the U.S. Government is not so desperate financially that it has to levy a 15 cent toll on the schoolchildren who visit the U.S. Capitol to observe democracy in action.

I ask unanimous consent that a report covering the guide service of the numerous capitols throughout the world, as compiled by the Legislative Reference Service of the Library of Congress, be printed in the RECORD.

There being no objection, the report ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C.

CAPITOL GUIDE SERVICE IN FOREIGN COUNTRIES

The following information was received from various sources with regard to their practice of showing visitors through their capitol buildings:

FRANCE

France charges no admission fee to enter its Parliament. However, one must get permission from the Secretary of Parliament before he can be admitted. This is best accomplished through the good offices of a member of the French Parliament. There is no guide service, but a man at the front desk will gladly answer pertinent questions.

ITALY

Italy is in a rather unique situation. Its Parliament building is controlled by the municipal government of Rome. Nevertheless, this setup does not markedly alter their practice of guide service. There is no admission fee, but one must have a special pass.

A foreign visitor may obtain such a pass upon the recommendation of his respective Embassy. There is no guide service per se, but a guard accompanies all tourists, and he will attempt to answer questions and explain about the building.

SOVIET UNION

The Soviet Union likewise imposes no entrance fee upon tourists desiring to see the Kremlin. All the buildings are open to the public every day. No special arrangements for gaining admittance need be made for any of the buildings except the Oruzhanaya Palata. It, too, is open to the general public, but there is generally such a long time of people waiting to get in that it would be wise to arrange for a special tour. The regular guides speak in Russian, but one can obtain an interpreter through Intourist for whatever period is desired.

WEST GERMANY

West Germany charges no admission fee and provides free guide service for those parts of the Bundeshaus which are open to the public. The guide service is operated by the Bundestag administration.

CANADA

Canada also charges no admission fee, and provides free guide service through its Houses of Parliament in Ottawa.

GREAT BRITAIN

Great Britain charges no admission fee, but provides no free Government-operated guide service. Foreign tourists may obtain passes to see Parliament in session by contacting either a Member of Parliament or their respective Embassy. The Houses of Parliament are open to the public on Saturdays and on certain holidays, when Parliament is not meeting.

MEXICO

National Palace: Permission to tour building can be obtained anytime from the Intendente del Palacio whose office is in the palace. The Government provides guides to conduct visitors through apartments. A tip of 2.50 pesos (20 cents) per guide is suggested. One or two pesos for the employee of the palace. (Terry's Guide to Mexico, 1948).

ARGENTINA

According to Mr. Mathe, first secretary of the Embassy in Washington, there is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

CHILE

There is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

BARRY A. SKLAR,
JOHN S. GOSNELL,
Foreign Affairs Division.

ACCOMPLISHMENTS OF THE SENATE SINCE JANUARY 4

Mr. MANSFIELD. Mr. President, prior to the brief recess honoring Lincoln's birthday, let us review what we have been able to accomplish so far since January 4. Our first major piece of legislation was the passage of S. 4, the Water Pollution Control Act of 1965, establishing water quality standards and authorizing \$80 million in new grants to help the States and localities, which was so capably handled by Senator MUSKIE and Senator BOGGS. Immediately following passage of this bill, the Senate under the capable leadership of Senators RANDOLPH, McNAMARA, and COOPER passed the \$1.082.4 billion aid to Appalachia bill.

Public Law 89-2
89th Congress, H. J. Res. 234
February 11, 1965

Joint Resolution

79 STAT. 4.

Making supplemental appropriations for the fiscal year ending June 30, 1965, for certain activities of the Department of Agriculture, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1965, namely:

Supplemental
appropriations,
1965.

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained during the fiscal year 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,100,000,000: *Provided*, That none of the funds appropriated under Public Law 88-573, approved September 2, 1964, shall be used prior to May 1, 1965 to formulate or administer a program to eliminate agricultural research stations or lines of research.

75 Stat. 391.
78 Stat. 874.
Agricultural
research sta-
tions.

PUBLIC LAW 480

For an additional amount for expenses during the fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$250,000,000; and (2) long-term supply contracts pursuant to title IV of said Act, \$200,000,000: *Provided*, That no part of this appropriation shall be used during the fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under the provisions of title I of such Act, except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest.

68 Stat. 454;
73 Stat. 610.

United Arab Re-
public.
Agricultural
exports.

INTERNATIONAL WHEAT AGREEMENT

For an additional amount for expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$50,000,000, to remain available until expended.

63 Stat. 945.

VETERANS ADMINISTRATION

No funds heretofore appropriated to the Veterans Administration shall be utilized prior to May 1, 1965 for the purpose of implementing any order or directive of the Administrator of the Veterans Adminis-

Hospitals and
facilities.

tration with respect to the closing or relocating of any hospital or facility owned or operated by the Veterans Administration or with respect to the withdrawing, transferring or reducing of services heretofore made available to veterans.

Approved February 11, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 2 (Comm. on Appropriations) and No. 36 (Comm. of Conference).

SENATE REPORT No. 52 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Jan. 26: Considered and passed House.

Feb. 2: Considered in Senate.

Feb. 3: Considered and passed Senate, amended.

Feb. 8: House agreed to conference.

Feb. 10: House and Senate adopted conference report.